

2007 COUNTY OF BEAVER, PENNSYLVANIA

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2007

Beaver County



Office of Controller

PREPARED BY DAVID A. ROSSI, CONTROLLER

www.beavercountypa.gov

County of Beaver, Pennsylvania
Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2007

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DAVID A. ROSSI
CONTROLLER



WILLIAM CALHOON
CHIEF DEPUTY CONTROLLER
ALBERT A. TORRENCE
SOLICITOR

BEAVER COUNTY COURTHOUSE
THIRD STREET - BEAVER, PENNSYLVANIA 15009-2196
TELEPHONE: Area Code 724-728-5700

June 25, 2008

TO THE CITIZENS OF BEAVER COUNTY

I am pleased to present the Comprehensive Annual Financial Report ("CAFR") for Beaver County ("the County") for the 2007 fiscal year.

The CAFR consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with generally accepted accounting principles ("GAAP"). Since the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance, that the financial statements are free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by The Binkley Kanavy Group, LLC, a firm of certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the County for the fiscal year ended December 31, 2007, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, evaluating the overall financial statement estimates made by management, and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended December 31, 2007, are fairly presented in conformity with GAAP.

The independent audit of the financial statements of the County is part of a broader federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and legal requirements involving the administration of federal awards. These reports will be available in the County's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis ("MD&A"). This letter of transmittal is to complement the MD&A and it should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF BEAVER COUNTY

The County was formulated on March 12, 1800, from parts of Washington and Allegheny Counties. It is 435 square miles and chartered as a fourth class county under the County Code as passed by the General Assembly of the Commonwealth of Pennsylvania. The current population of the County is approximately 175,000. Beaver County is comprised of thirty boroughs, five first class townships, seventeen second class townships, and two third class cities. Rich in resources, its location along the Ohio and Beaver Rivers gave Beaver County the ability to develop economically as one of the major industrial sites worldwide with steel being its major product. Beaver County rapidly developed as one of the major headquarters for manufacturing in the United States. After the decline of the steel industry in the early 1980's, the County redirected its efforts to develop its riverfronts for recreational, as well as manufacturing uses. Its close proximity to the Greater Pittsburgh International Airport enables the County to market itself as a center for manufacturing and service industries. Beaver County also has educational opportunities for residents with the Community College of Beaver County, Geneva College, and Penn State University Beaver Campus. The County also has medical facilities available to its residents with The Medical Center, Beaver, and Aliquippa Community Hospital.

Beaver County's government structure consists of a three-member Board of Commissioners that performs all legislative and executive functions. The Treasurer is elected to collect taxes and invest County funds. The Court of Common Pleas is the judicial arm of county government. There are seven judges that preside over the Court of Common Pleas. Other court related Row Officers are the District Attorney, Clerk of Courts, Coroner, Prothonotary, Sheriff, Register of Wills, Clerk of the Orphans Court, Recorder of Deeds, and Jury Commissioner.

All elected officials serve four-year terms with the exception of the Judges who are elected to ten year terms and are subject to a retention vote after their ten year term expires.

PROFILE OF BEAVER COUNTY – (Continued)

The County provides a full range of services to its citizens, ranging from health care to law enforcement and from the construction and maintenance of infrastructure to recreational activities and cultural events. The County also provides funding and aid to the Beaver County Transit Authority and the Community College of Beaver County, legally separate entities which have been included as an integral part of the County's financial statements. Additional information on these entities can be found in Note A of the financial statements.

Under the provisions of the Fourth Class County Code, the Controller is responsible for prescribing the method of financial reporting, auditing, and for payment of the County bills. The Controller is the supervisor of the budget and is a member of the Prison Board, Salary Board and Retirement Board. As supervisor of the County Budget, the Controller is responsible for monitoring the departmental line items on a daily basis as well as preparing a preliminary budget for the Board of Commissioners' approval. The budget process begins in late summer with each department receiving a budget request form to formally request operating allocations for the next fiscal year. Each department is required to submit the completed budget forms in order for the Controller to prepare a preliminary budget for presentation. The Board of Commissioners reviews this preliminary budget with each department manager in open meetings that may be attended by the public. Once a final budget is prepared, it is publicly displayed for twenty days prior to final adoption by the Board of Commissioners. The date for final action on the budget adoption must be made a matter of public notice for at least ten days prior to Commissioners' approval at a public meeting.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment within which the County operates.

LOCAL ECONOMY

Through the efforts of the Corporation of Economic Development ("CED"), which is partially funded by the County, projects have been completed that enhance the Beaver County economy. Efforts have been made to encourage diversified job creation and private investment. A summary of these activities and involved companies include those which are listed below.

LOCAL ECONOMY – (Continued)

PTC Alliance

In February 2006, PTC Alliance, a Wexford based manufacturer of welded and cold drawn mechanical steel tubing, purchased the assets of PA Cold Drawn in West Mayfield. This began a series of substantial investments designed to bring large diameter Drawn Over Mandrel (“DOM”) and seamless tube production capabilities to the firm allowing competition in markets not previously served. In addition to their plant in Darlington Township, Beaver County, PTC Alliance operates ten other strategically located factories in the northeast and upper mid-western United States and one facility in Germany, employing over 800 worldwide.

Groundbreaking on a new \$5 million manufacturing facility began in late winter 2007, representing the County’s largest manufacturing plant construction project since 1999. Additionally, PTC Alliance plans to invest another \$4 million in new equipment for the expanded operations. Situated on an 8-acre site adjacent to PTC Alliance’s existing West Mayfield facility, the new plant measures 200 feet by 500 feet, consisting of a 70,000 square foot shop and 30,000 square foot overhead crane-served shipping/receiving area.

CED assisted the company by helping secure \$250,000 in Enterprise Zone Tax Credits. In addition to retaining the 70 jobs from former PA Cold Drawn operations, the company plans to double on-site employment to 140 as a result of the project.

Pennsylvania Biodiesel Inc.

Pennsylvania Biodiesel Inc. is a start-up company that has constructed and will soon operate a biodiesel manufacturing plant and concrete additive blending facility.

The company plans an annual production capacity of 35 million gallons and will supply biodiesel fuel to tractor-trailer fleet operators. It will also sell concrete additives, a by-product of biodiesel production, to the cement industry.

Pennsylvania DCED offered the company a financial package totaling \$448,000, including a \$325,000 Infrastructure Development Program loan, \$25,000 through the Opportunity Grant Program, an \$18,000 job training grant and \$80,000 in job creation tax credits. This investment of over \$8.5 million is expected to create 40 new jobs.

LOCAL ECONOMY – (Continued)

Northern Ambridge Redevelopment Project

The Northern Ambridge Redevelopment Project ("NARP") area once consisted of several steel manufacturing facilities that are now vacant or underutilized. The site is a classic "brownfield," situated in the central core of Ambridge, having a negative impact on the commercial, historical and residential uses that border the area. The site offers easy access to the Greater Pittsburgh International Airport, interstate highways, malls, and health facilities, among other amenities. The project includes improvement to existing buildings and property, demolition of vacant and dilapidated structures, property remediation, construction of infrastructure and buildings for commercial, residential, industrial and governmental users. NARP has created a five phase plan for redevelopment.

Phase 1 is now complete. Vehicles can now enter and exit without maneuvering through residential and commercial districts of Ambridge. Approximately 82 percent of the 250,000 square feet of New Economy Business Park, L.P. ("NEBP") is now occupied and discussions with additional tenants are underway. Major tenants Centria and Spinello have entered into long-term leases with NEBP. Employment at Centria has increased from 80 to 120, and from 12 to 20 at Spinello.

For Phase 2, the Beaver County Board of Commissioners approved the construction of a new \$15 million Beaver County Emergency Management Center, which will serve about 50 employees.

LONG-TERM FINANCIAL PLANNING

In developing future economic strategies and potential prospects, we must make use of the natural resources that are available in Beaver County. One of the most prominent natural resources that Beaver County enjoys is its rivers. The County encourages and assists financially in the development of its riverfront for recreational, commercial, and residential use. The County also provides assistance through planning, tax incentives, marketing, and promotional activities.

The CED encourages Beaver County communities to develop their areas along the Beaver and Ohio rivers. The establishment of the Riverfront Development Program is entrusted with that mission. The river communities involved in the program are Fallston, New Brighton, Bridgewater, Rochester Borough, Rochester Township, Beaver, Freedom, and Monaca. The communities have formed an advisory committee which selects and prioritizes the projects to be developed by the program.

LONG-TERM FINANCIAL PLANNING – (Continued)

In an effort to provide proactive, coordinated, and comprehensive assistance to existing local industry, CED established the Beaver County Industrial Support Network (“BCISN”) as part of the Commonwealth’s Team Pennsylvania program. The BCISN is an organized effort of eighteen (18) public and private groups involved in economic development. The group will provide annual on-site interviews with chief decision makers of local industry to develop a better understanding of Beaver County’s industrial base and to attempt to address the needs of local industry.

Combining efforts to accomplish a goal is essential in developing quality economic strategies that are common to more than one county organization. The CED and Beaver County Industrial Development Authority (“IDA”) are in their tenth year of a joint management services agreement.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (“GFOA”) awarded a Certificate of Achievement for Excellence in Financial Reporting to Beaver County for its comprehensive annual financial report for the fiscal year ended December 31, 2006. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual report continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

CONTROLLER’S CLOSING REMARKS

The information that is presented in this report reflects the unified efforts of officials and administrators to provide the best possible services to the residents of Beaver County. By exercising prudent business practices and fiscally responsible decision-making, the County is able to offer many programs and extend financial assistance to those individuals that qualify. The administration and management are to accomplish a professional business environment.

The County continues in its efforts to obtain federal funding and funding available through the Commonwealth of Pennsylvania for mandated programs and services.

ACKNOWLEDGEMENTS

The presentation of this report on a timely basis is the result of a cooperative effort of many individuals. I wish to thank my staff and those individuals that assisted in the preparation of this report. This report and additional County information may be reviewed online by visiting our website at <http://www.beavercountypa.gov>.

Respectfully,

A handwritten signature in dark ink, appearing to read "David A. Rossi". The signature is written in a cursive style with a large, stylized "D" and "R".

David A. Rossi
Beaver County Controller

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Beaver
Pennsylvania

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Oliver S. Cox

President

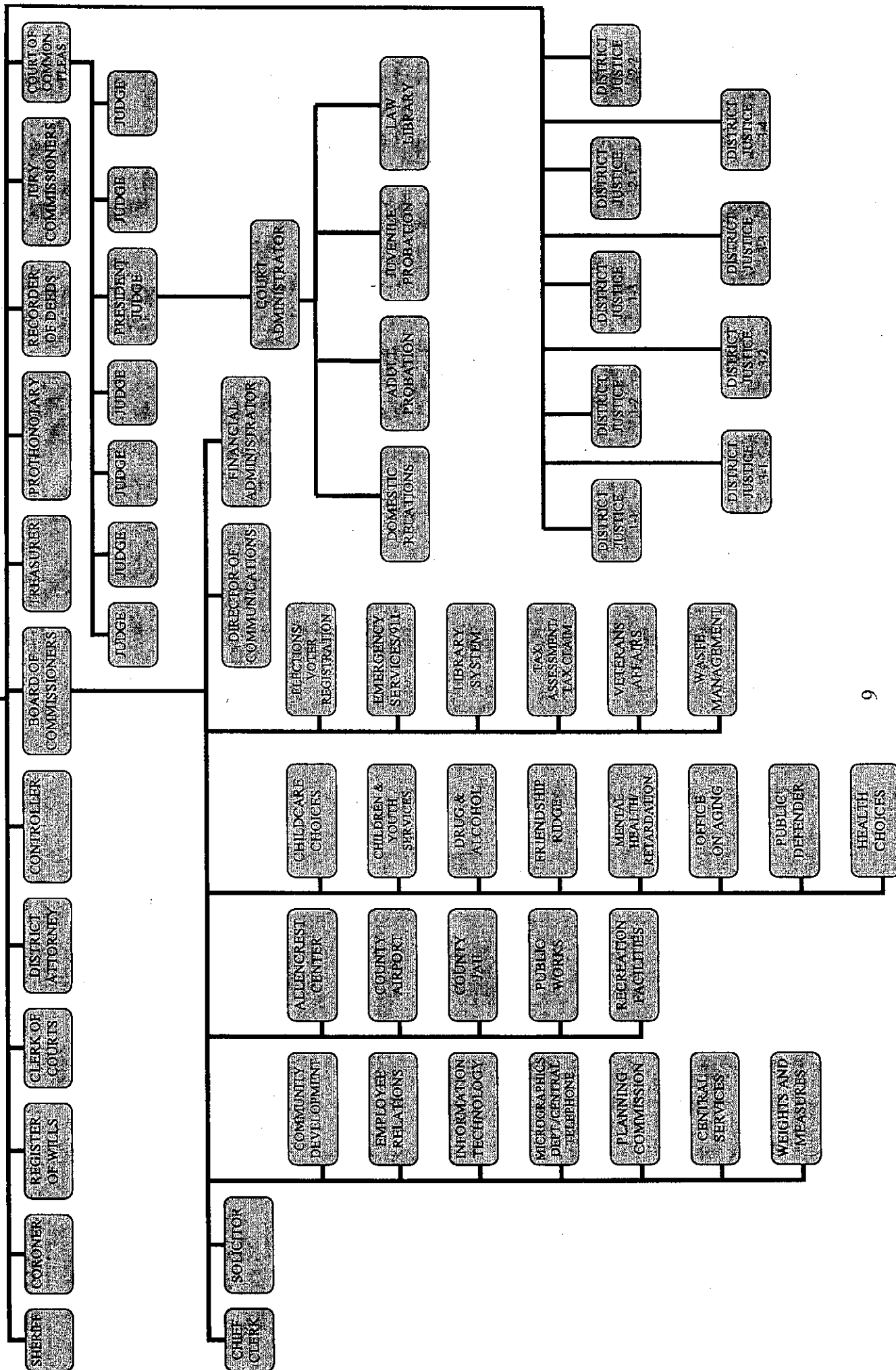
Jeffrey R. Enen

Executive Director

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ORGANIZATION CHART

ELECTORATE OF BEAVER COUNTY



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**BEAVER COUNTY GOVERNMENT
ELECTED OFFICIALS**

BOARD OF COMMISSIONERS: **ANTHONY AMADIO, CHAIRMAN***
 JOSEPH SPANIK, FORMER CHAIRMAN (2007)
 CHARLES A. CAMP

CLERK OF COURTS: **JUDY R. ENSLEN**

CONTROLLER: **DAVID A. ROSSI***

CORONER: **TERI TATALOVICH-ROSSI***

DISTRICT ATTORNEY: **ANTHONY J. BEROSH**

PROTHONOTARY: **NANCY C. WERME**

RECORDER OF DEEDS: **JANICE JESCHKE BEALL**

REGISTER OF WILLS: **CAROL R. FIORUCCI**

SHERIFF: **GEORGE J. DAVID***

TREASURER: **CONNIE T. JAVENS**

JURY COMMISSIONERS: **DOROTHY COLELLA**
 PEGGY ROSE

COURT OF COMMON PLEAS: **HON. JOHN D. McBRIDE**
 HON. C. GUS KWIDIS
 HON. RICHARD MANCINI
 HON. JOHN P. DOHANICH
 HON. DEBORAH KUNSELMAN
 HON. KIM TESLA
 HON. HARRY KNAFELC

| | | |
|---------------------------|----------------------------|-----------------|
| DISTRICT JUSTICES: | VACANT | 36-01-01 |
| | WILLIAM LIVINGSTON | 36-01-02 |
| | JAMES DiBENEDETTO | 36-01-03 |
| | EDWARD C. HOWE | 36-02-01 |
| | TIM FINN | 36-02-02 |
| | DALE NICHOLSON | 36-03-01 |
| | C. DOUGLAS LOUGHNER | 36-03-02 |
| | JOSEPH SCHAFFER | 36-03-03 |
| | JANET SWIHART | 36-03-04 |

DEPARTMENT MANAGERS

ADULT PROBATION
AIRPORT
ALLENCREST
ASSESSMENT/TAX CLAIM
FRIENDSHIP RIDGE
CHIEF CLERK
CHILDCARE CHOICES
COMMUNITY DEVELOPMENT
COURT ADMINISTRATOR
DOMESTIC RELATIONS
ELECTIONS BUREAU
EMERGENCY SERVICES
FINANCIAL ADMINISTRATOR
DEPARTMENT OF PUBLIC WORKS
HUMAN RESOURCES
INFORMATION TECHNOLOGY
JAIL WARDEN
JUVENILE SERVICES
LAW DEPARTMENT
LAW LIBRARY
LIBRARY COMMISSION
MENTAL HEALTH/MENTAL RETARDATION
MICROGRAPHICS
OFFICE ON AGING
PLANNING COMMISSION
PUBLIC DEFENDER
PURCHASING/MAILROOM
RECREATION
VETERANS ADMINISTRATION
VICTIM SERVICES
WASTE MANAGEMENT
WEIGHTS AND MEASURES

DON NEILL
BETH LaVALLE
ROBERT ROSE
MICHAEL KOHLMAN
BILL JOZEFczyk**
TRACEY PATTON
CARMACEL FELICE, INTERIM
LISA SIGNORE
RICHARD DeFILLIPPI
JOE SIGNORE
DORENE MANDITY
WES HILL
ROB CYPHERT
JAMES CAMP
RICHARD DARBUT
FRANK SIGNORE
WILLIAM SCHOUPPE
ROBERT ROSE
MYRON SAINOVICH
BETTY DENGEL
DIANE AMBROSE
GERARD MIKE
CHARLES HILT
BEVERLY SULLIVAN
FRANK MANCINI
PAUL STEFF
MARY ANNE RUSKIN
TOM KING
WILLIAM MUNS
STEVE JURICH
CHARLES RAABE
RON ZUCCARO

* Elected official began term on January 4, 2008

** Contract with Premier Consulting

ELECTED OFFICIALS

BOARD OF COMMISSIONERS

The Board of Commissioners are the chief executive officers of the County. They are responsible for all legislative and administrative functions of the County.

CLERK OF COURTS

The Clerk of Courts is the chief clerk of the Court of Common Pleas. The Clerk of Courts is responsible for maintaining court records and collecting all court related fines and fees.

CONTROLLER

The Controller is the chief financial officer of the County who is responsible for supervising the budget, financial reporting, auditing and accounts payable. In addition, the Controller sits on many boards and is responsible for many administrative functions relating to those boards.

CORONER

The Coroner is responsible for inquiries/inquests relating to wrongful and/or suspicious deaths for the County.

DISTRICT ATTORNEY

The District Attorney is the chief prosecutor for the County.

PROTHONOTARY

The Prothonotary is responsible for maintaining court records and filings relating to divorce, civil cases, filing financial statements, liens and issuing passports.

RECORDER OF DEEDS

The Recorder of Deeds is responsible for the official filing of all property transfers within the County. This includes recordation of mortgages as well as deeds for properties sold.

REGISTER OF WILLS

The Register of Wills is responsible for issuing marriage licenses, legal filings of estates and collecting estate taxes.

ELECTED OFFICIALS – (Continued)

SHERIFF

The Sheriff is the chief law enforcement officer for the County.

TREASURER

The Treasurer is responsible for collecting taxes levied by the County, investing County funds and issuing licenses for small games of chance and dog permits.

JURY COMMISSIONERS

The Jury Commissioners are responsible for the jury selection process for the Court of Common Pleas.

COURT OF COMMON PLEAS

There are six judges that preside over the Court of Common Pleas within Beaver County. They are responsible for hearing cases and legal decisions in addition to overseeing the court system of Beaver County.

DISTRICT JUSTICES

There are nine District Justices within Beaver County that are established by district. They are responsible for arraignments, hearing minor claims, and traffic violations for Beaver County.

DEPARTMENT DESCRIPTIONS

ADULT PROBATION

This office administers the probation procedures as established by the court system. The office is responsible for monitoring adult individuals who are serving court-mandated probation in addition to administering state and federal grants that are received for such purposes.

AIRPORT

This department is responsible for the safe and efficient operation of the Beaver County Airport. This includes enforcing Federal Aviation Administration policies and administering grants that are in effect for various airport projects.

ALLENCREST JUVENILE DETENTION CENTER

The center operates within guidelines as established by the court system pertaining to juveniles. This center houses and monitors juveniles while providing necessary counseling as required by the courts.

ASSESSMENT / TAX CLAIM

This office is responsible for enforcing taxes levied by the Board of Commissioners for real estate. It assesses all properties within the County and manages the tax system.

CHIEF CLERK

The Chief Clerk is an administrative assistant to the Board of Commissioners.

CHILDCARE CHOICES

This department is responsible for the managed care program for children within Beaver County and it administers the grant programs that are established for those purposes by the Commonwealth and Federal government.

CHILDREN AND YOUTH SERVICES

This agency oversees the programs which the County provides under grants awarded by the Commonwealth and Federal governments for the welfare of children. The agency provides families as well as children with various services such as counseling and foster care.

DEPARTMENT DESCRIPTIONS - (Continued)

COMMUNITY DEVELOPMENT

This department is responsible for the administration of Federal and Commonwealth grants that are provided to the County for various programs. These programs assist in private and public development and improvement such as main street renovations and infrastructure repairs.

COURT ADMINISTRATOR

This administrative office of the court manages the court system within Beaver County. This entails all activities and responsibilities of the court system, as well as the offices that are responsible for those activities.

INFORMATION TECHNOLOGY

This office is responsible for managing information services which are provided for the County. The department provides technical services and support for various hardware and software programs in operation as well as communication systems. The department also directs the central telephone system.

DEPARTMENT OF PUBLIC WORKS

This department manages various County projects, parks, road maintenance, rodent control, buildings and grounds and minor repairs.

DOMESTIC RELATIONS

This court related office is responsible for providing and managing services that are under the auspices of the court system regarding domestic (family) problems and court situations.

ELECTIONS BUREAU

This office is responsible for all activities involving primary, general and special elections within Beaver County.

EMERGENCY SERVICES

This office is responsible for managing and administrating all activities that pertain to emergency situations affecting Beaver County. The 911 Center of Beaver County is under this jurisdiction.

DEPARTMENT DESCRIPTIONS - (Continued)

FINANCIAL ADMINISTRATOR

This individual is responsible for the preparation of the County's budget.

JAIL

The jail serves as a detention center for individuals awaiting trial or sentenced to serve time for minor violations or on work release programs mandated by the court.

JUVENILE SERVICES

This department is responsible for overseeing the probation activities relating to minors/juveniles ordered into probation programs through the court system.

HUMAN RESOURCES

This department is responsible for all activities pertaining to human resources for Beaver County. Included in this array of services are payroll, employee hiring, discharge, rehabilitation efforts, administering Equal Employment Opportunities Commission compliance, and labor relations activities.

LAW DEPARTMENT

This department acts as general legal counsel for the County. They directly report to the Board of Commissioners but assist all County offices and departments with legal expertise.

LIBRARY COMMISSION

The commission administers the library system of Beaver County. The system is composed of ten member libraries and a bookmobile. Each library is responsible for managing its own budget and is supported by Federal, Commonwealth, and County funds.

MENTAL HEALTH/RETARDATION

This agency provides services for individuals needing assistance due to dependencies or addictions to controlled substances and alcohol abuse. The services provided are mental health, mental retardation, and drug and alcohol programs in forms of self-help and advocacy organizations. They also provide counseling, case management, prevention/intervention, outpatient and inpatient services, and treatment. The agency is able to provide such services through grants offered by Federal, Commonwealth and County funding.

DEPARTMENT DESCRIPTIONS – (Continued)

MICROGRAPHICS

This department provides microfilming services and record assistance to all Beaver County offices.

OFFICE ON AGING

This agency is responsible for administering all programs provided by Beaver County to senior citizens. The types of services include but are not limited to: information and referral, care management, homemaker service, personal and attendant care, adult day care, respite care and ombudsman services. This agency is able to provide services through funding provided by the Federal, Commonwealth, and County governments.

PUBLIC DEFENDER

The Public Defender is responsible for providing legal services to indigent individuals as required by the Courts.

PURCHASING/CENTRAL SERVICES

This department is responsible for all procurement for the County. In addition, it is responsible for maintaining all records for fixed assets.

RECREATION AND TOURISM PROMOTION

This department is responsible for administering all recreational programs offered by the County, management of County recreational facilities, and promoting tourism within the County.

VETERANS AFFAIRS

This department provides services and information to veterans and their families concerning benefits and it administers the Federal, Commonwealth, and County laws pertaining to burial of deceased veterans and their spouses.

VICTIM WITNESS

This department operates under the auspices of the District Attorney's Office. It provides assistance to individuals that had been victimized by a crime or witnessed a crime.

DEPARTMENT DESCRIPTIONS - (Continued)

WASTE MANAGEMENT

This department manages the recycling program for Beaver County.

WEIGHTS AND MEASURES

This department is responsible for the testing and review of all weighing and measuring devices both public and private within Beaver County and offering the necessary certifications of compliance.

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June 25, 2008

The Board of County Commissioners
and the Beaver County Controller
County of Beaver
Beaver, Pennsylvania

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and remaining fund information of Beaver County, Pennsylvania (the County) as of and for the year ended December 31, 2007, which collectively comprise the County's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the component units' financial statements of the Beaver County Transit Authority and the Community College of Beaver County. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion insofar as it relates to the amounts included for the Beaver County Transit Authority and the Community College of Beaver County, is based solely on reports of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of Beaver County, Pennsylvania, as of December 31, 2007, June 30, 2007, for the discretely presented component units, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 21 through 32 and the respective budgetary comparisons for the general fund and major special revenue funds on pages 112 through 116 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual non-major fund financial statements, budgetary comparisons of the non-major special revenue funds and capital projects funds, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major fund financial statements and budgetary comparisons of the non-major special revenue funds and capital projects funds have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The Binkley Kanavy Group, LLC

Certified Public Accountants

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the County of Beaver (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2007. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- The County advanced its commitment to local educational entities by increasing funding.
- In the face of continuing economic difficulties, tax revenue collections increased due to a tax millage increase from 17.7 to 18.7.
- The County maintained an investment grade bond rating of 'AAA' insured from Standard & Poor's.
- The 2007 Annual Required Contribution to the pension trust fund was \$2,113,111.
- The County issued a Tax Revenue Anticipation Note on January 2, 2007, to provide for short-term financing needs. This note was repaid before December 31, 2007.
- The HealthChoices Program continues to successfully manage expenses so that excess funds can be used to fund behavioral health programs across the County.
- The Pension Trust Fund's investments generated an approximate \$9.2 million net increase due primarily to appreciation in the fair value of investments.
- The County refunded approximately \$58 million of fixed rate debt at a variable rate to comply with the terms of the 2006 Swap Agreement.
- The County issued \$9,000,000 of General Obligation Bonds that will be used for capital improvements at Friendship Ridge and throughout the County.
- Friendship Ridge was able to transfer \$1,200,000 of excess cash to the general fund.
- The County received a grant for roughly \$1,200,000 to improve Emergency 9-1-1 systems.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *statement of net assets* provides information showing the status of the County's financial position at year-end. It reports the availability of assets for future use and is an important management tool in financial planning. The statement distinguishes those assets used exclusively with regards to government operation versus those assets committed to the business operation of a government.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as uncollected taxes, earned but unused vacation leave, accrued interest on long-term debt, accrued payroll, and intergovernmental receivables.

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County are general government, judicial, public safety, public works and enterprise, culture, recreation, conservation, human services, and economic development. The business-type activities of the County are Friendship Ridge, Emergency Services, and HealthChoices.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also two legally separate entities, the Beaver County Transit Authority and the Community College of Beaver County, for which the County provides subsidies and appoints their boards. Financial information for these *component units* are reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 33-36 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. This fund grouping is used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Immediately following both the governmental funds' balance sheet and the governmental funds' statement of revenues, expenditures, and changes in fund balances, a statement is presented that provides a reconciliation to facilitate a comparison between *governmental funds* and *governmental activities*.

The County maintains twenty individual governmental funds. Information is presented separately in the governmental funds' balance sheet and in the governmental funds' statement of revenues, expenditures, and changes in fund balance for the General Fund, Mental Health / Mental Retardation, Children & Youth, Community Development Program, and the 2007 Capital Projects Fund, all of which are considered to be major funds. Data from the other fifteen governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining schedules elsewhere in this report. The County adopts an annual appropriated budget for its governmental funds.

The basic governmental funds' financial statements can be found on pages 37-42 of this report.

Proprietary funds. The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for Friendship Ridge, Emergency Services, and HealthChoices. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions.

The County uses internal service funds to account for the medical benefits of the County's employees (except for Friendship Ridge) and to account for workers' compensation costs. Because this service predominantly benefits governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds' financial statements provide separate information for Friendship Ridge and HealthChoices. These are both major funds. Emergency Services, which is a non-major fund, is also presented on the proprietary funds' financial statements. The proprietary funds' financial statements also provide separate information for the County's internal service funds.

The basic proprietary funds' financial statements can be found on pages 43-48 of this report. The combining statements of the internal service funds can be found on pages 161-163 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the reporting government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 49-50 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 51-110 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits to its employees and budgetary comparison schedules for the general fund and other major funds which have been provided to demonstrate compliance with the budget.

Required supplementary information can be found on pages 111-117 of this report.

The combining schedules referred to earlier in connection with non-major governmental funds and internal service funds are presented following the required supplementary information.

Combining and individual fund schedules can be found on pages 137-158 of this report.

Government-wide Financial Analysis

This analysis focuses on the Primary Government (see above). Separate financial statements for the County's component units, including their managements' discussion and analysis, can be obtained from the component units at the addresses disclosed in Note A.

Analysis of Net Assets

Net assets are a useful indicator of a government's financial position. For the County, total liabilities exceeded assets by \$2,707,735 and \$3,706,906, at December 31, 2007 and 2006, respectively.

County of Beaver's Statement of Net Assets (in thousands)

The following is a summary of the County's Statement of Net Assets as of December 31, 2007 and 2006:

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Totals</u> | |
|--|--------------------------------|-------------------|---------------------------------|------------------|------------------|------------------|
| | <u>2007</u> | <u>2006</u> | <u>2007</u> | <u>2006</u> | <u>2007</u> | <u>2006</u> |
| Assets: | | | | | | |
| Current and Other Assets | \$ 40,667 | \$ 36,389 | \$ 33,006 | \$ 24,315 | \$ 73,673 | \$ 60,704 |
| Capital Assets | <u>90,718</u> | <u>91,233</u> | <u>13,183</u> | <u>13,724</u> | <u>103,901</u> | <u>104,957</u> |
| Total Assets | 131,385 | 127,622 | 46,189 | 38,039 | 177,574 | 165,661 |
| Liabilities: | | | | | | |
| Long-Term Liabilities | 113,715 | 112,158 | 9,882 | 4,921 | 123,597 | 117,079 |
| Other Liabilities | <u>20,378</u> | <u>19,171</u> | <u>9,991</u> | <u>7,839</u> | <u>30,369</u> | <u>27,010</u> |
| Total Liabilities | 134,093 | 131,329 | 19,873 | 12,760 | 153,966 | 144,089 |
| Net Assets: | | | | | | |
| Invested in Capital Assets, Net of Related Debt | 9,355 | 9,180 | 8,527 | 9,146 | 17,882 | 18,326 |
| Restricted | - | - | 11,970 | 9,732 | 11,970 | 9,732 |
| Unrestricted | <u>(12,062)</u> | <u>(12,887)</u> | <u>5,818</u> | <u>6,401</u> | <u>(6,244)</u> | <u>(6,486)</u> |
| Total Net Assets | <u>\$ (2,707)</u> | <u>\$ (3,707)</u> | <u>\$ 26,315</u> | <u>\$ 25,279</u> | <u>\$ 23,608</u> | <u>\$ 21,572</u> |

A significant portion of net assets are largely restricted for specific legal purposes in the HealthChoices program.

County of Beaver's Statement of Activities
(in thousands)

The following summarizes the County's Statement of Activities for the years ended December 31, 2007, and 2006.

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Totals</u> | |
|--|--------------------------------|-------------|---------------------------------|-------------|---------------|-------------|
| | <u>2007</u> | <u>2006</u> | <u>2007</u> | <u>2006</u> | <u>2007</u> | <u>2006</u> |
| Program Revenues: | | | | | | |
| Fees and Charges | \$ 11,676 | \$ 10,607 | \$ 77,753 | \$ 72,935 | \$ 89,429 | \$ 83,542 |
| Operating Grants and Contributions | 77,285 | 76,456 | 1,622 | 1,660 | 78,907 | 78,116 |
| General Revenues: | | | | | | |
| Real Estate Taxes | 38,996 | 34,994 | - | - | 38,996 | 34,994 |
| Investment Income | 2,138 | 1,229 | 758 | 674 | 2,896 | 1,903 |
| Unrestricted Gifts | - | - | 36 | 43 | 36 | 43 |
| Total Revenue | 130,095 | 123,286 | 80,169 | 75,312 | 210,264 | 198,598 |
| Program Expenses: | | | | | | |
| General Government | 10,638 | 14,437 | - | - | 10,638 | 14,437 |
| Judicial | 13,116 | 13,531 | - | - | 13,116 | 13,531 |
| Public Safety | 11,032 | 13,926 | - | - | 11,032 | 13,926 |
| Public Works and Enterprises | 4,886 | 4,992 | - | - | 4,886 | 4,992 |
| Culture and Recreation | 3,236 | 2,981 | - | - | 3,236 | 2,981 |
| Human Services | 71,620 | 62,831 | - | - | 71,620 | 62,831 |
| Economic Development | 9,688 | 8,074 | - | - | 9,688 | 8,074 |
| Interest Expense | 5,464 | 4,454 | - | - | 5,464 | 4,454 |
| Friendship Ridge | - | - | 52,609 | 48,981 | 52,609 | 48,981 |
| Emergency Services | - | - | 2,906 | 1,647 | 2,906 | 1,647 |
| HealthChoices | - | - | 23,034 | 20,652 | 23,034 | 20,652 |
| Total Expense | 129,680 | 125,226 | 78,549 | 71,280 | 208,229 | 196,506 |
| Excess (Deficiency) Before Other Items and Transfers | 415 | (1,940) | 1,620 | 4,032 | 2,035 | 2,092 |
| Gain (Loss) on Disposals | - | (135) | - | - | - | (135) |
| Investment Loss | - | (8,783) | - | - | - | (8,783) |
| Transfers | 584 | (337) | (584) | 337 | - | - |
| Change in Net Assets | 999 | (11,195) | 1,037 | 4,369 | 2,036 | (6,826) |
| Net Assets - Beginning | (3,707) | 7,488 | 25,869 | 21,500 | 22,162 | 28,988 |
| *Prior Period Adjustment | - | - | (590) | - | (590) | - |
| Net Assets - Ending | \$ (2,707) | \$ (3,707) | \$ 26,315 | \$ 25,869 | \$ 23,608 | \$ 22,162 |

*The beginning net assets balance for Friendship Ridge was adjusted to reduce receivables related to third party settlements amounting to \$590,000.

Changes in Net Assets

The County's governmental activities net assets increased by \$999,172 and decreased by \$11,195,343 for the years ended December 31, 2007 and 2006, respectively.

The County's business-type activities net assets increased by \$1,036,536 and \$4,369,827 for the years ended December 31, 2007 and 2006, respectively.

The County's governmental and business-type activities expenses cover a wide range of services. The largest share of expenses continues to be incurred for Human Services, HealthChoices, and Friendship Ridge.

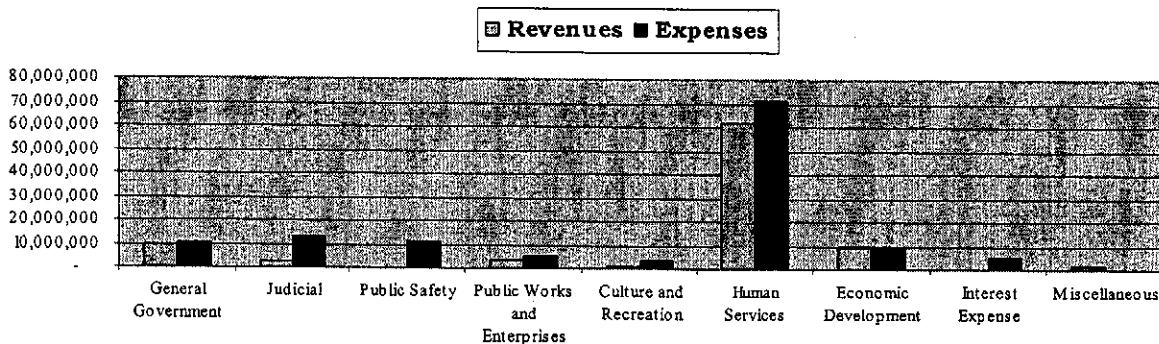
Analysis of Changes in Net Assets

The County's total net assets increased by \$2,035,708 and decreased \$6,825,515 for the years ended December 31, 2007 and 2006, respectively. The current year's increase is explained in the governmental and business-type activities discussion below.

Governmental Activities

Governmental activities increased the County's net assets by \$999,172. A key element of this increase is due to the increase in the real estate tax millage from 17.7 to 18.7.

Expenses and Program Revenues - Governmental Activities



In the general government function, total expenses decreased by \$3.8 million due to a one time grant that passed through to the County that helped fund the construction of the Lincoln Park Performing Arts Center in 2006. Total revenues decreased by \$7.7 million for two reasons. The first reason is because the County received two large one time grants in 2006 to fund the Lincoln Park Performing Arts Center mentioned above and for the purchase of election machines. This accounts for approximately \$5.5 million of the decrease. The second reason, as further described below, is that the revenue the County received and passed through to BCTA was reclassified into the Human Services function.

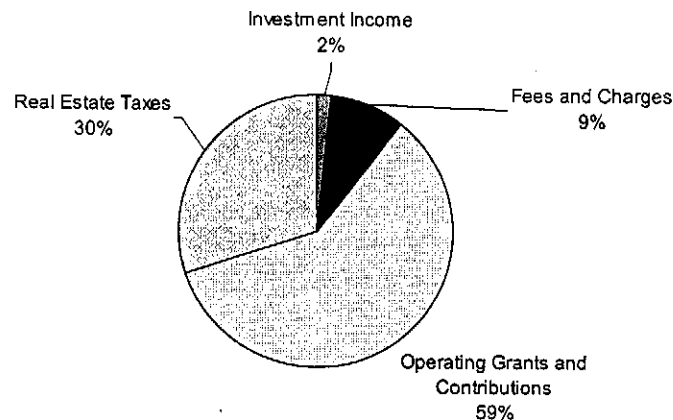
In the Public Safety function, total expenses decreased by \$2.9 million in large part due to prior year reimbursements the General Fund received from Children & Youth during the current year for expenses related to Allencrest and Juvenile Probation.

During 2007, Beaver County reclassified the function that several revenue and expense accounts had been reported to more accurately reflect their purpose. As a result of this, there are large fluctuations in several amounts reported. Most significantly, the Human Services and Public Works expense functions reflect a reclassification of approximately \$8.5 million that is reported in the Human Services function during the current year and in the Public Works function during the prior year. Additionally, there was \$1.0 million that is reported as Human Service revenue during the current year that was reported as General Fund revenue in the prior year.

Total expenses of the County increased by approximately \$5.5 million in large part due to increased interest expense, additional Community Development spending, and reimbursements that Children & Youth made to the General Fund that were not made in prior years.

The mix of County governmental activities revenues remained fairly constant from 2006. Approximately 59% of the County's revenue came from grants and contributions, 9% for services provided, and 30% from taxes on real estate. The corresponding figures for 2006 were 62%, 9%, and 29% respectively.

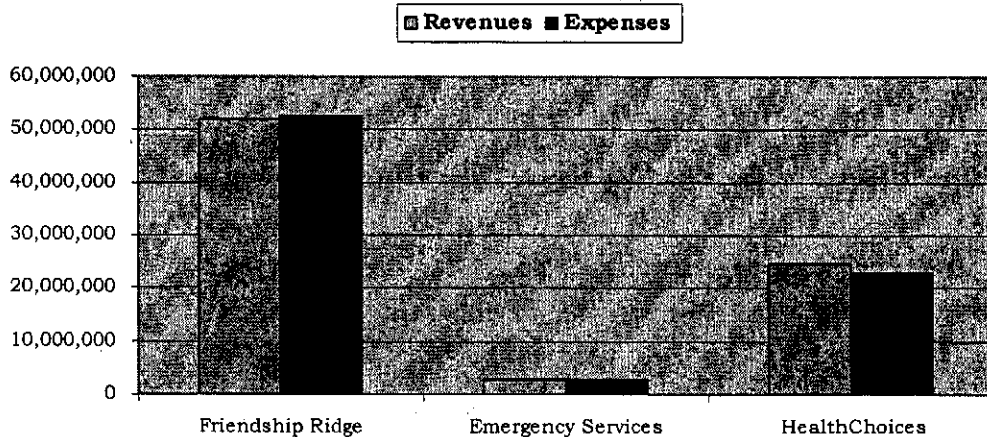
Revenues by Source - Governmental Activities



Business-type Activities

Business-type activities increased the County's net assets by \$1,036,536 for the year ended December 31, 2007. Friendship Ridge and HealthChoices accounted for the majority of this increase.

Expenses and Program Revenues - Business-type Activities



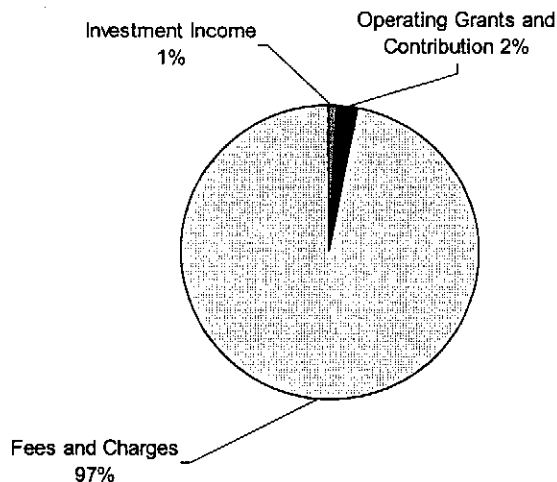
Friendship Ridge's operating expenses increased approximately \$3.6 million due to higher administrative and medical services costs.

Emergency Services' operating expenses increased by \$1.2 million due to a grant received and spent on wireless communication equipment and system upgrades. The additional revenue is reported as non-operating.

HealthChoices' operating revenues increased by \$2.6 million and expenses increased by \$2.4 million due to increased funding from the state to provide behavioral health treatment to the citizens of Beaver County.

The mix of County business-type activities' revenues for 2007 remained the same as 2006 with approximately 2% of the County's revenue coming from grants and contributions and 97% for services provided.

Revenues by Source - Business-type Activities



Financial Analysis of the County's Individual Funds

Governmental Funds

The focus of the County's Governmental Funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the County's financing requirements. In particular, the unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

At December 31, 2007, the County's Governmental Funds reported a combined ending fund balance of \$10,174,488 which represents an increase of \$3,806,543 in comparison to the previous year. The ending fund balance represents amounts available for future appropriations as follows: \$5,879,707 for the Special Revenue Funds and \$2,814,958 for the Capital Projects Funds. The General Fund had a fund balance of \$1,378,038.

The General Fund is the main operating fund for the County. Its fund balance increased by approximately \$1.5 million during 2007 and it decreased by approximately \$0.7 million during 2006. The County is continuing its efforts to control expenditures. The General Fund is discussed in more detail in the General Fund budgetary highlights section (see below).

The 2007 Capital Projects fund's fund balance increased by approximately \$2.8 million during the current year. This entire balance will be used to purchase various capital improvements throughout the County.

All Special Revenue fund balances will be used to advance the purpose of each specific fund.

Proprietary Funds

The County's Proprietary Funds provide the same type of information found in the government-wide financial statements, but in more detail. Please refer to the analysis of the changes in net assets for business-type activities for a discussion of Friendship Ridge and the HealthChoices program.

The HealthChoices fund is an enterprise fund of the County in which the fund balance increased by approximately \$2.2 million during 2007 and \$1.9 million during 2006. The fund balance is restricted to furthering behavioral health treatment in the County or to provide financial stability within the HealthChoices program.

Fiduciary Funds

The County maintains Fiduciary Funds for the Pension Trust Fund and several agency funds. The Pension Trust Fund's net assets increased by \$8,080,178 during 2007 as compared to an increase of \$22,778,741 during 2006. The increase for both 2007 and 2006 was primarily due to the appreciation in fair value of investments and interest earned.

General Fund Budgetary Highlights

During any given year there are many factors that may change a budget from the *original* approved version to the *final* ending version. There may be changes in policies, revenue sources or unexpected events that have a financial impact upon the County and require that the budget be adjusted to reflect those circumstances.

The General Fund's budgeted revenues were increased by approximately \$0.5 million from the original budget primarily due to an expected increase in intergovernmental revenues that was never realized.

The General Fund's budgeted expenditures were increased by approximately \$4.0 million from the original budget during the year. The reasons for such an increase were largely due to the increase in available resources that were generated by issuance of new debt and transfers from Friendship Ridge.

In reviewing the General Fund budget, there are differences between actual amounts and those budgeted that are due to various business and economic factors within the County. General Fund expenditures ended approximately \$3.4 million under budget. This decrease in expected expenditures is due in part to the reimbursements that the General Fund received from Children & Youth for expenditures for Allencrest and Juvenile Probation that were not included in the budget.

The County continues to operate in a fiscally prudent manner, with each department's manager monitoring employee expenses (overtime, travel), delaying major purchases, and imposing a freeze on job creation.

County of Beaver's Capital Assets (in thousands and net of depreciation)

What follows is a summary of the County's capital assets as of December 31, 2007 and 2006.

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Totals</u> | |
|------------------------------|--------------------------------|------------------|---------------------------------|------------------|-------------------|-------------------|
| | <u>2007</u> | <u>2006</u> | <u>2007</u> | <u>2006</u> | <u>2007</u> | <u>2006</u> |
| Assets not Being Depreciated | \$ 1,874 | \$ 1,874 | \$ 81 | \$ 42 | \$ 1,955 | \$ 1,916 |
| Buildings and Improvements | 58,953 | 61,600 | 6,857 | 7,192 | 65,810 | 68,792 |
| Vehicles | 332 | 236 | - | - | 332 | 236 |
| Furniture and Equipment | 5,058 | 5,093 | 6,245 | 6,490 | 11,303 | 11,583 |
| Infrastructure | <u>24,501</u> | <u>22,428</u> | <u>-</u> | <u>-</u> | <u>24,501</u> | <u>22,428</u> |
| Total | <u>\$ 90,718</u> | <u>\$ 91,231</u> | <u>\$ 13,183</u> | <u>\$ 13,724</u> | <u>\$ 103,901</u> | <u>\$ 104,955</u> |

Additional information on the County's capital assets can be found in Note F on pages 77-80 of this report.

Outstanding Debt, at Year End

The following is a summary of the County's outstanding bond as of December 31, 2007 and 2006:

| | <u>2007</u> | <u>2006</u> |
|---------------------------|-----------------------|-----------------------|
| Governmental Activities: | | |
| General obligation debt | \$ 68,007,510 | \$65,906,708 |
| Other long-term debt | <u>45,706,584</u> | <u>46,251,390</u> |
| | 113,714,094 | 112,158,098 |
| Business-type Activities: | | |
| General obligation debt | 9,477,588 | 4,303,664 |
| Other long-term debt | <u>404,221</u> | <u>617,500</u> |
| | <u>9,881,809</u> | <u>4,921,164</u> |
| Total | <u>\$ 123,595,903</u> | <u>\$ 117,079,262</u> |

The County's general obligation bond rating is 'AAA' insured from Standard and Poor's. More detailed information about the County's long-term liabilities can be found in Note J on pages 88-105 of this report.

Economic Factors

Beaver County refunded some of its long-term debt during 2007 to satisfy the agreement of the 2006 Swap Agreement.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in them. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Office of the Controller
Beaver County Courthouse
810 Third Street
Beaver, Pennsylvania 15009-2196

BASIC FINANCIAL STATEMENTS

County of Beaver, Pennsylvania

STATEMENT OF NET ASSETS
December 31, 2007 or June 30, 2007

| | <u>Primary Government</u> | | |
|-------------------------------------|------------------------------------|-------------------------------------|-----------------------|
| | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 25,097,291 | \$ 6,756,415 | \$ 31,853,706 |
| Restricted Cash | - | 9,409,803 | 9,409,803 |
| Investments | - | - | - |
| Receivables | 7,872,096 | 9,920,203 | 17,792,299 |
| Internal Balances | (4,792,468) | 4,792,468 | - |
| Supplies | - | 291,834 | 291,834 |
| Prepaid Expenses | 313,654 | 1,025,068 | 1,338,722 |
| Other Assets | 1,573,532 | 810,866 | 2,384,398 |
| Land | 1,874,354 | 42,075 | 1,916,429 |
| Buildings and Improvements | 83,134,711 | 14,209,372 | 97,344,083 |
| Construction in Progress | - | 39,212 | 39,212 |
| Vehicles | 2,575,763 | - | 2,575,763 |
| Furniture and Equipment | 15,320,980 | 29,184,526 | 44,505,506 |
| Infrastructure | 34,084,276 | - | 34,084,276 |
| Accumulated Depreciation | (46,271,171) | (30,292,385) | (76,563,556) |
| Net Pension Asset | 10,601,932 | - | 10,601,932 |
| TOTAL ASSETS | <u>\$ 131,384,950</u> | <u>\$ 46,189,456</u> | <u>\$ 177,574,406</u> |
| LIABILITIES | | | |
| Accounts Payable and Other | | | |
| Current Liabilities: | | | |
| Accounts Payable | \$ 9,709,263 | \$ 2,644,204 | \$ 12,353,467 |
| Accrued Vacation | 2,238,518 | 832,862 | 3,071,380 |
| Accrued Interest | 1,147,092 | 100,254 | 1,247,346 |
| Accrued Other Liabilities | 1,543,628 | 2,566,573 | 4,110,201 |
| Unearned Revenues | 4,877,243 | 1,547,926 | 6,425,169 |
| Accrued Other Employee Benefits | 862,846 | 499,949 | 1,362,795 |
| Accrued HealthChoices Program Costs | - | 1,800,000 | 1,800,000 |
| Non-current Liabilities: | | | |
| Due within one year | 4,437,189 | 640,298 | 5,077,487 |
| Due in more than one year | 109,276,905 | 9,241,514 | 118,518,419 |
| TOTAL LIABILITIES | <u>\$ 134,092,684</u> | <u>\$ 19,873,580</u> | <u>\$ 153,966,264</u> |
| NET ASSETS | | | |
| Invested in Capital Assets | | | |
| Net of Related Debt | \$ 9,354,708 | \$ 8,526,775 | \$ 17,881,483 |
| Restricted for: | | | |
| Restricted Fund | - | 4,060,722 | 4,060,722 |
| Risk and Contingency | - | 4,190,041 | 4,190,041 |
| Reinvestment | - | 3,719,763 | 3,719,763 |
| Unrestricted | (12,062,442) | 5,818,575 | (6,243,867) |
| TOTAL NET ASSETS | <u>\$ (2,707,734)</u> | <u>\$ 26,315,876</u> | <u>\$ 23,608,142</u> |

| Component Units | |
|--|---|
| Beaver County Transit Authority as of June 30, 2007 | Community College of Beaver County as of June 30, 2007 |
| \$ 1,135,472 | \$ 4,736,484 |
| - | - |
| - | 27,152,537 |
| 6,315,779 | 931,955 |
| - | - |
| 249,156 | 36,011 |
| 116,201 | 413,029 |
| - | 1,250,583 |
| 3,286,120 | 952,288 |
| 14,124,805 | 17,971,268 |
| - | - |
| 9,514,921 | 193,782 |
| 1,319,019 | 6,384,722 |
| - | - |
| (11,179,293) | (16,192,176) |
| - | - |
| <u>\$ 24,882,180</u> | <u>\$ 43,830,483</u> |
| | |
| \$ 166,097 | \$ 682,702 |
| - | 702,982 |
| - | 181,961 |
| 136,255 | 1,280,852 |
| 6,429,804 | 195,486 |
| - | 169,746 |
| - | - |
| - | 768,432 |
| - | 33,354,609 |
| <u>\$ 6,732,156</u> | <u>\$ 37,336,770</u> |
| | |
| \$ 17,065,572 | \$ 3,447,208 |
| - | 10,000 |
| - | - |
| - | - |
| 1,084,452 | 3,036,505 |
| <u>\$ 18,150,024</u> | <u>\$ 6,493,713</u> |

The accompanying notes are an integral part of this financial statement.

County of Beaver, Pennsylvania

STATEMENT OF ACTIVITIES

For the Years Ended December 31, 2007 or June 30, 2007

| FUNCTIONS/PROGRAMS | Expenses | Program Revenues | | |
|--------------------------------------|----------------|------------------|------------------------------------|----------------------------------|
| | | Fees and Charges | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary Government | | | | |
| Governmental Activities: | | | | |
| General Government | \$ 10,638,416 | \$ 7,912,438 | \$ 1,565,203 | \$ - |
| Judicial | 13,116,223 | 346,304 | 2,341,649 | - |
| Public Safety | 11,031,994 | - | 128,220 | - |
| Public Works and Enterprises | 4,886,450 | 260,553 | 3,002,114 | - |
| Culture, Recreation and Conservation | 3,235,547 | - | 877,610 | - |
| Human Services | 71,619,963 | 1,244,744 | 60,390,654 | - |
| Economic Development | 9,687,518 | 476,730 | 8,979,383 | - |
| Miscellaneous | - | 1,435,432 | - | - |
| Interest Expense | 5,464,151 | - | - | - |
| Total Governmental Activities | 129,680,260 | 11,676,202 | 77,284,833 | - |
| Business-type Activities: | | | | |
| Friendship Ridge | 52,609,529 | 51,730,038 | 88,275 | - |
| Emergency Services | 2,905,978 | 1,315,659 | 1,534,007 | - |
| HealthChoices | 23,033,731 | 24,707,769 | - | - |
| Total Business-type Activities | 78,549,238 | 77,753,466 | 1,622,282 | - |
| TOTAL PRIMARY GOVERNMENT | \$ 208,229,499 | \$ 89,429,668 | \$ 78,907,115 | \$ - |
| Component Units: | | | | |
| Beaver County Transit Authority | 8,608,313 | 1,119,249 | 5,029,633 | 1,022,532 |
| Community College of Beaver County | 20,931,040 | 13,293,011 | 8,413,924 | - |
| TOTAL COMPONENT UNITS | \$ 29,539,353 | \$ 14,412,260 | \$ 13,443,557 | \$ 1,022,532 |

General Revenues:
Real Estate Taxes
Investment Income
Unrestricted Gifts
Transfers

Total General Revenues
and Transfers

Change in Net Assets

Net Assets - Beginning

Net Assets - Ending

| Net (Expenses) Revenues and Change in Net Assets | | | Component Units | |
|---|-----------------------------|-----------------|---|--|
| Primary Government | | | Beaver County Transit Authority for the year ended June 30, 2007 | Community College of Beaver County for the year ended June 30, 2007 |
| Governmental Activities | Business-type Activities | Total | | |
| \$ (1,160,774) | \$ - | \$ (1,160,774) | \$ - | \$ - |
| (10,428,271) | - | (10,428,271) | - | - |
| (10,903,774) | - | (10,903,774) | - | - |
| (1,623,783) | - | (1,623,783) | - | - |
| (2,357,937) | - | (2,357,937) | - | - |
| (9,984,564) | - | (9,984,564) | - | - |
| (231,404) | - | (231,404) | - | - |
| 1,435,432 | - | 1,435,432 | - | - |
| (5,464,151) | - | (5,464,151) | - | - |
| (40,719,226) | - | (40,719,226) | - | - |
| - | (791,216) | (791,216) | - | - |
| - | (56,312) | (56,312) | - | - |
| - | 1,674,038 | 1,674,038 | - | - |
| - | 826,510 | 826,511 | - | - |
| \$ (40,719,226) | \$ 826,510 | \$ (39,892,715) | \$ - | \$ - |
| - | - | - | (1,436,899) | - |
| - | - | - | - | 775,895 |
| \$ - | \$ - | \$ - | \$ (1,436,899) | \$ 775,895 |
| 38,995,721 | - | 38,995,721 | - | - |
| 2,138,290 | 758,318 | 2,896,608 | - | 428,178 |
| - | 36,094 | 36,094 | - | - |
| 584,386 | (584,386) | - | - | - |
| 41,718,397 | 210,026 | 41,928,423 | - | 428,178 |
| 999,172 | 1,036,536 | 2,035,708 | (1,436,899) | 1,204,073 |
| (3,706,906) | 25,279,340 | 21,572,434 | 19,586,923 | 5,289,640 |
| \$ (2,707,734) | \$ 26,315,876 | \$ 23,608,142 | \$ 18,150,024 | \$ 6,493,713 |

The accompanying notes are an integral part of this financial statement.

County of Beaver, Pennsylvania

**BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2007**

| | <u>General</u> | <u>Mental Health/ Mental Retardation</u> | <u>Children & Youth</u> |
|--|---------------------|--|---------------------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 1,482,385 | \$ 6,016,734 | \$ 1,251,317 |
| Prepaid Other | 37,318 | 164,484 | 20,631 |
| Receivables | 978,077 | 704,387 | 1,055,030 |
| Interfund Receivable | 4,082,839 | 639,807 | 947,463 |
| TOTAL ASSETS | <u>\$ 6,580,619</u> | <u>\$ 7,525,412</u> | <u>\$ 3,274,442</u> |
| LIABILITIES AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts Payable | \$ 1,794,229 | \$ 5,001,682 | \$ 434,336 |
| Interfund Payable | 1,729,753 | 115,984 | 2,637,771 |
| Accrued Wages and Payroll Costs | 1,415,089 | - | - |
| Accrued Other Liabilities | 128,539 | - | - |
| Deferred Revenues | 134,971 | 1,359,254 | - |
| TOTAL LIABILITIES | 5,202,582 | 6,476,920 | 3,072,107 |
| FUND BALANCES | | | |
| Unreserved, Designated for Encumbrances: | | | |
| General Fund | 66,901 | - | - |
| Special Revenue Funds | - | 39,837 | 8,518 |
| Capital Projects Funds | - | - | - |
| Unreserved, Undesignated: | | | |
| General Fund | 1,311,137 | - | - |
| Special Revenue Funds | - | 1,008,655 | 193,816 |
| Capital Projects Funds | - | - | - |
| TOTAL FUND BALANCES | <u>1,378,038</u> | <u>1,048,492</u> | <u>202,334</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 6,580,619</u> | <u>\$ 7,525,412</u> | <u>\$ 3,274,442</u> |

| <u>Community Development</u> | <u>2007 Capital Projects Fund</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|----------------------------------|---|---|---|
| \$ 4,344,952 | \$ 8,055,430 | \$ 3,867,089 | \$ 25,017,907 |
| - | - | 19,892 | 242,326 |
| 948,312 | - | 1,522,678 | 5,208,485 |
| 26,694 | 115,789 | - | 5,812,592 |
| <u>\$ 5,319,958</u> | <u>\$ 8,171,219</u> | <u>\$ 5,409,661</u> | <u>\$ 36,281,311</u> |
| | | | |
| \$ 1,139,009 | \$ 173,869 | \$ 916,379 | \$ 9,459,504 |
| 17,199 | 5,131,500 | 626,853 | 10,259,059 |
| - | - | - | 1,415,089 |
| - | - | - | 128,539 |
| 2,983,075 | - | 367,330 | 4,844,630 |
| 4,139,283 | 5,305,369 | 1,910,562 | 26,106,823 |
| - | - | - | 66,901 |
| 15,377 | - | 1,268,423 | 1,332,155 |
| - | - | - | - |
| - | - | - | 1,311,137 |
| 1,165,298 | - | 2,229,609 | 4,597,378 |
| - | 2,865,850 | 1,066 | 2,866,916 |
| <u>1,180,675</u> | <u>2,865,850</u> | <u>3,499,098</u> | <u>10,174,488</u> |
| | | | |
| <u>\$ 5,319,958</u> | <u>\$ 8,171,219</u> | <u>\$ 5,409,661</u> | <u>\$ 36,281,311</u> |

The accompanying notes are an integral part of this financial statement.

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County of Beaver, Pennsylvania

**RECONCILIATION OF GOVERNMENTAL FUND BALANCES
TO THE STATEMENT OF NET ASSETS
December 31, 2007**

| | | |
|--|---------------------|-----------------------|
| TOTAL FUND BALANCES | | \$ 10,174,488 |
| Receivables for real estate taxes not available to pay for current period expenditures, and therefore, are deferred in the funds. | | 2,629,267 |
| Costs associated with the issuance of bonds are deferred in the Statement of Net Assets and reported as Other Assets, net of accumulated amortization. | | 1,573,530 |
| Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds. | | |
| Land | \$ 1,874,354 | |
| Buildings and improvements | 83,134,711 | |
| Vehicles | 2,575,763 | |
| Furniture and equipment | 15,320,980 | |
| Infrastructure | 34,084,276 | |
| Accumulated depreciation | <u>(46,271,171)</u> | 90,718,913 |
| Accrued interest and accrued vacation payable are not recognized in governmental funds. | | |
| Accrued interest payable | (1,147,092) | |
| Accrued vacation payable | <u>(2,238,518)</u> | (3,385,610) |
| Non-current liabilities are not due nor payable in the current period, and therefore, are not reported in the funds. Those liabilities consist of: | | |
| General obligation bonds payable | (68,007,510) | |
| Other general long-term liabilities - | | |
| PFA Series 2007 Bonds | (455,000) | |
| PFA Series 2005 Bonds | (3,085,000) | |
| Pension Obligation Bond | (13,355,000) | |
| PFA 2006 Bonds | (3,686,170) | |
| PFA Series A of 2006 | (3,015,443) | |
| PFA Series B of 2006 | (2,026,589) | |
| Capital lease obligations | (8,122,387) | |
| 2006 Swap Agreement | (11,229,326) | |
| Accrued sick and early termination benefits payable | <u>(731,669)</u> | (113,714,094) |
| Pension Contributions in excess of ARC treated as net pension asset | | 10,601,932 |
| An internal service fund is used by management to account for medical benefits of the County employees. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Assets. | | <u>(1,306,160)</u> |
| NET ASSETS OF GOVERNMENTAL ACTIVITIES | | <u>\$ (2,707,734)</u> |

The accompanying notes are an integral part of this financial statement.

County of Beaver, Pennsylvania

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2007

| | <u>General</u> | <u>Mental Health/ Mental Retardation</u> | <u>Children & Youth</u> | <u>Community Development</u> |
|--|---------------------|--|---------------------------------|----------------------------------|
| REVENUES | | | | |
| Real Estate Taxes | \$ 38,494,475 | \$ - | \$ - | \$ - |
| Licenses and Permits | 97,652 | - | - | - |
| Interest and Rents | 795,371 | 328,975 | 107,142 | 280,347 |
| Intergovernmental Revenues | 4,170,261 | 33,538,959 | 14,155,601 | 8,979,383 |
| Departmental Earnings | 7,655,003 | 1,009,275 | 157,924 | 476,730 |
| Local Hotel Room Tax | - | - | - | - |
| Miscellaneous | <u>1,202,702</u> | <u>228,480</u> | <u>-</u> | <u>-</u> |
| TOTAL REVENUES | 52,415,464 | 35,105,689 | 14,420,667 | 9,736,461 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | 9,446,659 | - | - | - |
| Judicial | 9,853,048 | - | - | - |
| Public Safety | 10,210,106 | - | - | - |
| Public Works and Enterprises | 3,143,087 | - | - | - |
| Culture, Recreation and Conservation | 2,703,871 | - | - | - |
| Economic Development | - | - | - | 9,624,288 |
| Intergovernmental: | | | | |
| Human Services | 8,520,999 | 34,814,969 | 14,790,333 | - |
| Debt Service: | | | | |
| Principal | 2,659,767 | - | - | - |
| Interest | 5,237,624 | - | - | - |
| Bond Issuance Costs | 933,619 | - | - | - |
| Infrastructure | 14,875 | - | - | - |
| Capital Asset Acquisition and Improvements | <u>473,738</u> | <u>259,763</u> | <u>108,565</u> | <u>15,444</u> |
| TOTAL EXPENDITURES | <u>53,197,393</u> | <u>35,074,732</u> | <u>14,898,898</u> | <u>9,639,732</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (781,929) | 30,958 | (478,231) | 96,729 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Issuance of Capital Projects Debt | - | - | - | - |
| Issuance of Refunding Debt | 59,655,000 | - | - | - |
| Original Issue Discount | (141,381) | - | - | - |
| Capital Lease Agreements | 329,409 | - | - | - |
| Payment to Refunded Debt Escrow Agent | (58,125,000) | - | - | - |
| Transfers from Other Funds | 1,200,000 | - | - | - |
| Transfers to Other Funds | <u>(615,614)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>2,302,414</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | 1,520,485 | 30,958 | (478,231) | 96,729 |
| Fund Balance - Beginning | <u>(142,447)</u> | <u>1,017,534</u> | <u>680,565</u> | <u>1,083,946</u> |
| Fund Balance - Ending | <u>\$ 1,378,038</u> | <u>\$ 1,048,492</u> | <u>\$ 202,334</u> | <u>\$ 1,180,675</u> |

| 2007 Capital Projects Fund | Other Governmental Funds | Total Governmental Funds |
|---|---|---|
| \$ - | \$ - | \$ 38,494,475 |
| - | - | 97,652 |
| 1,348 | 194,280 | 1,707,464 |
| - | 18,196,741 | 79,040,944 |
| - | 615,332 | 9,914,265 |
| - | 228,852 | 228,852 |
| - | 4,250 | 1,435,432 |
| 1,348 | 19,239,455 | 130,919,085 |
| - | 66,010 | 9,512,670 |
| - | 2,922,593 | 12,775,641 |
| - | 127,431 | 10,337,538 |
| - | 351,917 | 3,495,004 |
| - | 273,710 | 2,977,581 |
| - | - | 9,624,288 |
| - | 12,790,522 | 70,916,823 |
| - | - | 2,659,767 |
| - | - | 5,237,624 |
| 54,853 | - | 988,472 |
| - | 2,698,873 | 2,713,748 |
| 303,634 | 237,646 | 1,398,789 |
| 358,487 | 19,468,703 | 132,637,945 |
| (357,139) | (229,247) | (1,718,860) |
| 3,289,430 | - | 3,289,430 |
| - | - | 59,655,000 |
| (66,441) | - | (207,822) |
| - | - | 329,409 |
| - | - | (58,125,000) |
| - | - | 1,200,000 |
| - | - | (615,614) |
| 3,222,989 | - | 5,525,403 |
| 2,865,850 | (229,247) | 3,806,543 |
| - | 3,728,347 | 6,367,945 |
| \$ 2,865,850 | \$ 3,499,098 | \$ 10,174,488 |

The accompanying notes are an integral part of this financial statement.

County of Beaver, Pennsylvania

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2007**

| | | | |
|--|----|--------------|--------------|
| NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS | | \$ | 3,806,543 |
| Revenue timing differences resulted in more revenue for real estate taxes in the Statement of Activities. | | | 501,248 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | | (1,769,593) |
| The differences due to capital assets are as follows: | | | |
| 1. Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are: | | | |
| Capital outlay | \$ | 4,112,537 | |
| Depreciation expense | | (4,615,144) | (502,607) |
| 2. The effect of the disposal of capital assets is to decrease net assets by the net book value of the disposed assets. | | | (11,044) |
| Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds. | | | |
| Changes in accrued interest payable | | 108,481 | |
| Changes in accrued vacation payable | | (65,603) | |
| Changes in other accrued liabilities | | 100,000 | 142,878 |
| The difference due to non-current liabilities are: | | | |
| 1. The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. | | | |
| Bond principal payments | | 2,659,767 | |
| Capital lease obligation payments | | 211,785 | |
| Capital Lease Acquisitions | | (329,409) | |
| Debt issuance | | (62,736,608) | (60,194,465) |
| 2. Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. | | | |
| Capitalized bond issuance costs | | 933,619 | |
| Amortization of bond issuance costs | | (61,657) | 871,962 |
| 3. The expense for sick leave and early termination benefits does not require the use of current financial resources. These items are reported as a non-current liability in the Statement of Net Assets. | | | 156,708 |
| 4. Elimination of refinancing proceeds that were immediately transferred to escrow. | | | 58,125,000 |
| Amortization of excess general fund pension contribution | | | (466,609) |
| Investment income generated by non-monetary exchange of financial instruments | | | 425,090 |
| An internal service fund is used by management to account for medical and workers' compensation benefits of the County employees. The net change in activity of the internal service fund is reported with governmental activities. | | | (85,938) |
| CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES | | \$ | 999,172 |

The accompanying notes are an integral part of this financial statement.

County of Beaver, Pennsylvania

**STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2007**

| | Business-type Activities - Enterprise Funds | | | | Governmental Activities |
|--|--|-----------------------|--|----------------------|--------------------------------|
| | Friendship Ridge | Health Choices | Non-Major Fund Emergency Services 911 | Total | Internal Service Funds |
| ASSETS | | | | | |
| Current assets: | | | | | |
| Cash and Cash Equivalents | \$ 73,739 | \$ 4,512,599 | \$ 2,170,077 | \$ 6,756,415 | \$ 79,384 |
| Restricted Cash | - | 9,409,802 | - | 9,409,802 | - |
| Receivables | 9,623,739 | 184,399 | 112,065 | 9,920,203 | 34,344 |
| Supplies | 291,833 | - | - | 291,833 | - |
| Prepaid Expenses | 37,607 | 987,461 | - | 1,025,068 | 71,330 |
| Total current assets | <u>10,026,918</u> | <u>15,094,261</u> | <u>2,282,141</u> | <u>27,403,320</u> | <u>185,058</u> |
| Non-current assets: | | | | | |
| Land | 42,075 | - | - | 42,075 | - |
| Construction in Progress | 39,212 | - | - | 39,212 | - |
| Buildings and Improvements | 14,209,372 | - | - | 14,209,372 | - |
| Furniture and Equipment | 27,038,965 | 101,684 | 2,043,877 | 29,184,526 | - |
| Less Accumulated Depreciation | (28,361,593) | (87,716) | (1,843,076) | (30,292,385) | - |
| Interfund Receivable | 5,111,561 | - | - | 5,111,561 | - |
| Other Assets | 526,039 | - | - | 526,039 | - |
| Resident Funds | 284,825 | - | - | 284,825 | - |
| Total non-current assets | <u>18,890,456</u> | <u>13,968</u> | <u>200,801</u> | <u>19,105,225</u> | <u>-</u> |
| TOTAL ASSETS | <u>\$ 28,917,374</u> | <u>\$ 15,108,229</u> | <u>\$ 2,482,943</u> | <u>\$ 46,508,546</u> | <u>\$ 185,058</u> |
| LIABILITIES | | | | | |
| Current liabilities: | | | | | |
| Accounts Payable | \$ 1,702,743 | \$ 900,572 | \$ 40,888 | \$ 2,644,203 | \$ 282,371 |
| Accrued Payroll | 1,616,320 | - | - | 1,616,320 | - |
| Accrued Vacation | 832,862 | - | - | 832,862 | - |
| Current Lease Obligations | 35,298 | - | - | 35,298 | - |
| Interfund Payable | - | 15,536 | 303,558 | 319,094 | 346,000 |
| Accrued Interest | 100,254 | - | - | 100,254 | - |
| Accrued Other Liabilities | 542,625 | 407,628 | - | 950,253 | 487,188 |
| Deferred Revenues | 7,824 | - | 1,540,102 | 1,547,926 | - |
| Accrued Employee Benefits | 499,949 | - | - | 499,949 | - |
| Accrued Healthcare Costs | - | 1,800,000 | - | 1,800,000 | 375,658 |
| Bonds Payable - Current Portion | 605,000 | - | - | 605,000 | - |
| Total current liabilities | <u>5,942,875</u> | <u>3,123,736</u> | <u>1,884,547</u> | <u>10,951,158</u> | <u>1,491,217</u> |
| Long-term liabilities: | | | | | |
| Bonds Payable | 9,162,588 | - | - | 9,162,588 | - |
| Non Current Capital Lease Obligations | 78,926 | - | - | 78,926 | - |
| TOTAL LIABILITIES | <u>15,184,389</u> | <u>3,123,736</u> | <u>1,884,547</u> | <u>20,192,672</u> | <u>1,491,217</u> |
| NET ASSETS | | | | | |
| Invested in Capital Assets, Net of Related Debt | 8,312,004 | 13,968 | 200,801 | 8,526,773 | - |
| Restricted: | | | | | |
| Reserve for Restricted Fund | - | 4,060,722 | - | 4,060,722 | - |
| Reserve for Risk and Contingency | - | 4,190,040 | - | 4,190,040 | - |
| Reserve for Reinvestment | - | 3,719,763 | - | 3,719,763 | - |
| Unrestricted | 5,420,981 | - | 397,595 | 5,818,576 | (1,306,160) |
| TOTAL NET ASSETS | <u>\$ 13,732,985</u> | <u>\$ 11,984,493</u> | <u>\$ 598,396</u> | <u>\$ 26,315,874</u> | <u>\$ (1,306,160)</u> |

The accompanying notes are an integral part of this financial statement.

County of Beaver, Pennsylvania

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS**

For the Year Ended December 31, 2007

| | Business-type Activities - Enterprise Funds | | | | Governmental Activities |
|--|--|-----------------------|--|----------------------|--------------------------------|
| | Friendship Ridge | Health Choices | Non-Major Fund Emergency Services 911 | Total | Internal Service Funds |
| OPERATING REVENUES | | | | | |
| Charges for Services | \$ 51,730,038 | \$ 24,707,769 | \$ 1,315,659 | \$ 77,753,466 | \$ 8,403,541 |
| OPERATING EXPENSES | | | | | |
| Costs of Services | 48,281,679 | 19,547,161 | 1,514,353 | 69,343,193 | 7,813,975 |
| Administrative | 2,600,472 | 3,480,518 | 1,305,029 | 7,386,019 | 681,240 |
| Depreciation and Amortization | 1,427,033 | 6,052 | 86,597 | 1,519,682 | - |
| Total Operating Expenses | 52,309,184 | 23,033,731 | 2,905,978 | 78,248,893 | 8,495,215 |
| OPERATING INCOME (LOSS) | (579,146) | 1,674,038 | (1,590,319) | (495,427) | (91,674) |
| NON-OPERATING REVENUES (EXPENSES) | | | | | |
| Debt Service Interest | (300,345) | - | - | (300,345) | - |
| Grant Income | 88,275 | - | 1,534,007 | 1,622,282 | - |
| Unrestricted Gifts | 36,093 | - | - | 36,093 | - |
| Investment Income | 123,706 | 549,471 | 85,141 | 758,318 | 5,736 |
| Total Non-Operating Revenues (Expenses) | (52,271) | 549,471 | 1,619,148 | 2,116,348 | 5,736 |
| Income (Loss) Before Transfers | (631,417) | 2,223,509 | 28,829 | 1,620,921 | (85,938) |
| Transfers Out | (1,200,000) | - | - | (1,200,000) | - |
| Transfers In | 615,614 | - | - | 615,614 | - |
| Change in net assets | (1,215,803) | 2,223,509 | 28,829 | 1,036,535 | (85,938) |
| Total net assets - beginning | 14,948,788 | 9,760,984 | 569,567 | 25,279,339 | (1,220,221) |
| TOTAL NET ASSETS - ENDING | \$ 13,732,985 | \$ 11,984,493 | \$ 598,396 | \$ 26,315,874 | \$ (1,306,160) |

The accompanying notes are an integral part of this financial statement.

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County of Beaver, Pennsylvania

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2007**

| | Business-type Activities - Enterprise Funds | | |
|--|--|---------------------------|--|
| | Friendship Ridge | Health Choices | Non-Major Fund Emergency Services |
| Cash Flows from Operating Activities: | | | |
| Cash receipts for services provided | \$ 51,765,101 | \$ 24,561,994 | \$ 2,315,913 |
| Other operating cash receipts | 233,250 | - | - |
| Cash payments to suppliers | (27,581,710) | (23,008,466) | (2,665,937) |
| Cash payments to employees | (22,420,452) | - | - |
| Net Cash Provided by (Used in) Operating Activities | 1,996,189 | 1,553,528 | (350,024) |
| Cash Flows from Capital and Related Financing Activities: | | | |
| Principal payments of long-term debt | (692,841) | - | - |
| Interest payments on long-term debt | (43,052) | - | - |
| Expenses for property, facilities and equipment | (374,976) | - | (60,713) |
| Net Cash Used In Financing Activities | (1,110,869) | - | (60,713) |
| Cash Flows from Non-capital Financing Activities: | | | |
| Transfers Out | (3,400,000) | - | - |
| Transfers In | 2,200,000 | - | - |
| Grants | 88,275 | - | 1,534,007 |
| Net Cash Used in Noncapital Financing Activities | (1,111,725) | - | 1,534,007 |
| Cash Flows from Investing Activities: | | | |
| Investment income | 159,799 | 549,471 | 85,141 |
| Net Cash Provided by Investing Activities | 159,799 | 549,471 | 85,141 |
| Net increase (decrease) in cash and cash equivalents | (66,606) | 2,102,999 | 1,208,411 |
| Cash and cash equivalents at beginning of year | 140,345 | 11,819,402 | 961,666 |
| Cash and cash equivalents at end of year | \$ 73,739 | \$ 13,922,401 | \$ 2,170,077 |
| Non-cash capital financing activities: | | | |
| Change in fair value of investments | \$ - | \$ - | \$ - |
| In-kind transfers in | \$ 615,614 | \$ - | \$ - |

EXHIBIT A (PAGE 1 OF 4)

| <u>Total</u> | <u>Internal Service Funds</u> |
|----------------------|---------------------------------------|
| \$ 78,643,008 | \$ 8,637,631 |
| 233,250 | - |
| (53,256,113) | (8,703,255) |
| <u>(22,420,452)</u> | <u>-</u> |
| 3,199,693 | (65,624) |
| (692,841) | - |
| (43,052) | - |
| <u>(435,689)</u> | <u>-</u> |
| (1,171,582) | - |
| (3,400,000) | - |
| 2,200,000 | - |
| <u>1,622,282</u> | <u>-</u> |
| 422,282 | - |
| <u>794,411</u> | <u>5,735</u> |
| 794,411 | 5,735 |
| 3,244,804 | (59,889) |
| <u>12,921,413</u> | <u>139,272</u> |
| <u>\$ 16,166,217</u> | <u>\$ 79,384</u> |
| <u>\$ -</u> | <u>\$ -</u> |
| <u>\$ -</u> | <u>\$ -</u> |

EXHIBIT A (PAGE 2 OF 4)

The accompanying notes are an integral part of this financial statement.

County of Beaver, Pennsylvania

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
(Continued)**

For the Year Ended December 31, 2007

| | <u>Business-type Activities - Enterprise Funds</u> | | |
|--|--|---------------------------|--|
| | <u>Friendship Ridge</u> | <u>Health Choices</u> | <u>Non-Major Fund Emergency Services</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities: | | | |
| Operating income (loss) | \$ (579,146) | \$ 1,674,038 | \$ (1,590,319) |
| Non-cash adjustments to reconcile operating income (loss) to net cash provided by operating activities: | | | |
| Depreciation and amortization | 1,412,141 | 6,052 | 86,597 |
| Amortization of deferred loss on refunding and discount | 18,692 | - | - |
| Transfer in from General Fund | 615,614 | - | - |
| Change in operating assets and liabilities: | | | |
| Accounts receivable | 268,313 | (145,775) | 53,254 |
| Inventories | 3,127 | - | - |
| Prepaid expenses | 5,175 | (666,327) | - |
| Accounts payable and interfund payable | (41,852) | 780,714 | 153,444 |
| Deferred credits | 322 | - | - |
| Accrued liabilities | 295,288 | (95,174) | - |
| Deferred income | (1,485) | - | 947,000 |
| Net Cash Provided by (Used in) Operating Activities | <u>\$ 1,996,189</u> | <u>\$ 1,553,528</u> | <u>\$ (350,024)</u> |

Non-cash investing, capital, and financing activities:

During 2007, Friendship Ridge acquired approximately \$550,000 of fixed assets from proceeds of bonds payable placed in an account of the County's General Fund.

Disclosure of Accounting Policy:

For purposes of the Statement of Cash Flows, the County considers all highly liquid investments with a maturity of three months or less when acquired to be cash equivalents.

| <u>Total</u> | <u>Internal Service Funds</u> |
|---------------------|---------------------------------------|
| \$ (495,427) | \$ (91,674) |
| 1,504,790 | - |
| 18,692 | - |
| 615,614 | - |
| 175,792 | 234,090 |
| 3,127 | - |
| (661,152) | (32,717) |
| 892,306 | 225,229 |
| 322 | - |
| 200,114 | (400,552) |
| 945,515 | - |
| <u>\$ 3,199,693</u> | <u>\$ (65,624)</u> |

EXHIBIT A (PAGE 4 OF 4)

The accompanying notes are an integral part of this financial statement.

County of Beaver, Pennsylvania
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
December 31, 2007

| | Pension Trust Fund | Agency Funds |
|--|-----------------------------------|-------------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 5,552,469 | \$ 3,319,076 |
| Investments: | | |
| Common and Preferred Stocks | 98,352,346 | - |
| U.S. Government Obligations | 46,155,196 | 297,849 |
| Corporate Bonds | 25,654,460 | - |
| Interest in Limited Partnership | 10,987,874 | - |
| Interest in Common/Collective Trusts | 16,004,849 | - |
| Receivables | - | 14,594 |
| Interest and Dividends Receivable | 832,770 | - |
| TOTAL ASSETS | \$ 203,539,964 | \$ 3,631,518 |
| LIABILITIES | | |
| LIABILITIES | | |
| Accounts Payable | \$ - | \$ 3,607,200 |
| Due to other funds | - | 24,318 |
| TOTAL LIABILITIES | - | 3,631,518 |
| NET ASSETS | | |
| Held in trust for pension benefits and other purposes | 203,539,964 | - |
| TOTAL NET ASSETS | \$ 203,539,964 | \$ - |

The accompanying notes are an integral part of this financial statement.

County of Beaver, Pennsylvania

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
For the Year Ended December 31, 2007

| | <u>Pension Trust Fund</u> |
|--|-----------------------------------|
| ADDITIONS: | |
| Contributions: | |
| Member Contributions | \$ 4,677,809 |
| County Contributions | <u>2,113,111</u> |
| Total Contributions | <u>6,790,920</u> |
| Net Investment Income: | |
| Net Appreciation in Fair Value of Investments | 3,990,802 |
| Interest and Dividends | <u>5,907,666</u> |
| Less: Investment Management and Actuarial Fees | <u>672,627</u> |
| Total Investment Income - net | <u>9,225,841</u> |
| Total | <u>16,016,761</u> |
| DEDUCTIONS: | |
| Benefits Paid | 7,813,122 |
| Administrative Expense | <u>123,461</u> |
| Total Deductions | <u>7,936,583</u> |
| Change in Net Assets | 8,080,178 |
| Net Assets - Beginning | <u>195,459,786</u> |
| Net Assets - Ending | <u>\$ 203,539,964</u> |

The accompanying notes are an integral part of this financial statement.

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County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS December 31, 2007 and June 30, 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the County of Beaver, Pennsylvania (the County), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The significant accounting policies are described below.

1. **Organization and Reporting Entity**

The organization of the County and the basis of the reporting entity are presented below to assist the reader in evaluating the financial statements and the accompanying notes.

The County was founded as a subdivision of the Commonwealth of Pennsylvania under Title XVI of the Pennsylvania Statutes. The County operates under the commissioner-administrator form of government and provides the following services as authorized by Pennsylvania's County Code: public safety, judicial, medical, human services, economic development, and culture and recreation.

In accordance with Governmental Accounting Standards Board (GASB) Statements No. 14 and No. 39, the County has evaluated all related entities (authorities, commissions, and affiliates) for possible inclusion in the financial reporting entity.

Discretely Presented Component Units

The component unit columns in the government-wide financial statements include individual financial data for the Beaver County Transit Authority (BCTA) and the Community College of Beaver County (CCBC). Financial information of these units is reported in separate columns to emphasize that they are legally separated from the County. They are component units because their boards are appointed by the County Commissioners and they receive significant operating subsidies from the County. Complete and more detailed financial statements can be obtained from:

Beaver County Transit Authority
200 W. Washington Street
Rochester, PA 15074

Community College of Beaver County
Controller's Office
One Campus Drive
Monaca, PA 15061

The reporting period for BCTA and CCBC is as of and for the year ended June 30, 2007.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

1. **Organization and Reporting Entity** - Continued

Discretely Presented Component Units - Continued

Summary of Significant Accounting Policies for BCTA

General Policy - The BCTA prepares its financial statements on the basis of accounting prescribed or permitted by the Commonwealth of Pennsylvania and departments under its jurisdiction.

Basis of Accounting - The Beaver County Transit Authority accounts for expenses using the accrual method of accounting. Grant revenue is recognized when the corresponding grant purpose expenditure is made. Grant revenues received or receivable before the revenue recognition criteria have been met are reported as unearned revenue. The Authority's practice is to record grants as a receivable and unearned revenue at the time grants are awarded. Grants externally restricted for capital acquisitions, or construction, are recorded directly as a component of net assets during the year, as opposed to revenue on the statement of revenues and expenses, only after incurring the capital expenditure. Passenger fares are recorded when received. All other revenues are recognized when earned.

Assets are depreciated using the straight-line method over their estimated useful lives.

Summary of Significant Accounting Policies for CCBC

General Policy - Community College of Beaver County prepares its financial statements in accordance with generally accepted accounting principles for public colleges and universities as outlined by the GASB. In accordance with GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds," CCBC applies all GASB and Financial Accounting Standards Board (FASB) pronouncements, Accounting Principle Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, which do not conflict with or contradict GASB pronouncements. Interfund activity has been eliminated in the preparation of the financial statements.

Basis of Accounting

Assets are depreciated using the straight-line method over their estimated useful lives.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

1. **Organization and Reporting Entity** – Continued

Related Organizations

The Board of Commissioners is also responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments. These organizations include the:

- Beaver County Agricultural Land Preservation Board
- Beaver County Area Chamber of Commerce
- Beaver County Conservation District
- Beaver County Economic Development Authority
- Beaver County Hospital Authority
- Beaver County Housing Authority
- Beaver County Industrial Development Authority
- Beaver County Job Training
- Beaver County Redevelopment Authority
- Pennsylvania Finance Authority
- Southwestern Pennsylvania Commission
- Workforce Investment Board

2. **Government-Wide Financial Statements and Fund Financial Statements**

Government-wide Statements: The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for support. Internal service funds' activities are eliminated to avoid "doubling up" revenues and expenses. All other internal activities, such as interfund reimbursements, are also eliminated. Fiduciary funds are also excluded from the government-wide financial statements.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

2. **Government-Wide Financial Statements and Fund Financial Statements** – Continued

Government-wide Statements – Continued

The government-wide Statement of Activities presents a comparison between expenses, both direct and indirect, and program revenues for each segment of the business-type activities of the County and for each governmental program. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financed or draws from the general revenues of the County. Certain indirect costs are included in the program expense reported for individual functions and activities.

Net assets should be reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net assets restricted for other purposes result from special revenue funds and the restrictions on their net asset use.

When both restricted and unrestricted resources are available for use, it is County policy to use restricted resources first and then unrestricted resources as they are needed.

Fund Financial Statements: The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The emphasis of fund financial statements is on major governmental and enterprise funds, each of them displayed in a separate column.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

2. Government-Wide Financial Statements and Fund Financial Statements – Continued

Fund Financial Statements – Continued

The County reports the following major governmental funds:

General Fund. This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Mental Health / Mental Retardation. This fund is responsible for serving the needs of the County's mentally or behaviorally challenged citizens.

Children and Youth Services. The purpose of this fund is to protect and care for children who have been abused, neglected, exploited, abandoned, adjudicated delinquent, or are without proper parental supervision, such as runaways.

Community Development. This fund accounts for the activities of the Community Development Program of Beaver County (CDP). The CDP's mission is two-fold: to improve the living conditions of low-income individuals and to aid in the elimination of slum and blight.

2007 Capital Projects Fund. This fund is used to account for all activities relating to of the Series A of 2007 Capital Projects Bond issue.

The County reports the following major enterprise funds:

Friendship Ridge. This is the enterprise fund for the County-owned facility that accommodates individuals in need of long-term health care.

HealthChoices. HealthChoices is a program sponsored by the Commonwealth of Pennsylvania and administered by the County to meet the needs of low income individuals with behavioral health problems.

All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

3. Fund Types

In accordance with generally accepted accounting principles applicable to governmental units, the accounts of the County are organized and operated on the basis of individual funds. The operations of each fund are accounted for by providing a separate set of self-balancing accounts comprised by its assets, liabilities, fund equity, revenues, and expenditures or expenses. A description of the purpose and function of each type of fund presented in the accompanying financial statements follows.

GOVERNMENTAL FUND TYPES

The General Fund is used to account for all financial transactions not accounted for in the fund types listed below. This includes items such as the receipt and expenditure of the general tax levy and fees of general offices.

Special Revenue Funds are used to account for the proceeds from specific revenue sources or to finance special activities in accordance with statutory or administrative requirements. This includes designated revenues not included within other fund categories.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital assets (other than those financed by proprietary fund types).

PROPRIETARY FUND TYPES

An Enterprise Fund is used to account for operations that are financed and operated in a manner similar to that found in the private sector, where the intent of the County is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Friendship Ridge, Emergency Services 911, and Beaver County HealthChoices Behavioral Health Program (HealthChoices) are recorded as enterprise funds.

Internal Service Funds account for operations that provide services to other departments or agencies of the County on a cost reimbursement basis. The Risk Management Funds account for the employees' self-insured medical health benefits and workers' compensation claims of the County.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2007 and June 30, 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

3. **Fund Types** - Continued

FIDUCIARY FUND TYPES

Fiduciary Funds are used by the County to account for assets held on behalf of outside parties or on behalf of other funds. These funds currently include the pension trust fund and agency funds.

The Pension Trust Fund is accounted for in essentially the same manner as a proprietary fund and it accounts for the activities of the Beaver County Employees' Pension Plan.

Agency Funds are custodial in nature and do not involve measurement of results of operations. Agency funds are used to account for cash collected by elected row officers, support payments collected by Domestic Relations and delinquent real estate tax payments collected by Tax Claims.

4. **Basis of Accounting and Measurement Focus**

Basis of accounting refers to when revenues, expenditures, expenses and transfers, and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. The primary effect of internal activity has been eliminated from the government-wide financial statements.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

4. **Basis of Accounting and Measurement Focus** - Continued

All governmental fund types are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available to finance expenditures of the fiscal period. Revenues are considered available when they are expected to be collected within sixty days of year-end. Expenditures and transfers out are generally recognized under the accrual basis of accounting when the related liability is incurred, except for compensated absences and financing costs / interest on general long-term debt, which is recorded when the payment is due.

The financial statements of agency and proprietary funds are presented on the accrual basis of accounting. Under this method of accounting, all revenues are recorded when earned and expenses are recorded when the liability is incurred. As permitted by GASB Statement No. 20, the County applies all GASB pronouncements, as well as FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989, except those that conflict with or contradict GASB pronouncements, in accounting for its enterprise funds. An enterprise fund may choose to apply all FASB Statements and Interpretations issued after November 30, 1989 (except those that conflict with or contradict GASB pronouncements) or it may apply none of them. The County chose to apply only GASB pronouncements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing in connection with a proprietary fund's ongoing revenues. The principal operating revenues of the County's proprietary funds are discussed in the next section. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

4. **Basis of Accounting and Measurement Focus** - Continued

The Pension Trust Fund and agency funds' financial statements are also prepared using the accrual basis of accounting. Employee and employer contributions are recognized when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the pension plan. Administrative costs provided by outside vendors are recorded when incurred, whereas costs for services provided by the County are not recorded on the financial statements of the Pension Trust Fund.

The Pension Trust Fund and agency funds' investments are reported at fair value. Investments traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Other investments are valued based on their liquidation amounts as estimated by the investment fund's management. Investment income is recognized as earned. Gains and losses on sales and exchanges are recognized on the transaction date.

5. **Revenues**

Property taxes collected by the Treasurer within sixty days subsequent to December 31 are recorded as revenue on the statement of revenues, expenditures, and changes in fund balances in the previous year ended.

Federal and state grants are recognized as revenues in the period the related expenditures are incurred, if applicable, or when the County is entitled to the grants. However, these grants are subject to audits and adjustments by grantor agencies. Grant revenues received for expenditures which are disallowed are repayable to the grantor.

Revenue recognized by HealthChoices is based on the number of eligible members within the County at a contracted rate with Pennsylvania's Department of Public Welfare.

The receivable balances presented in the accompanying combined balance sheet are recorded at net realizable value.

Resident fees of Friendship Ridge are recognized in the period in which the services are provided.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

5. **Revenues** – Continued

A significant portion of Friendship Ridge's services are provided to patients under hospitalization or other health related benefit contracts with third parties. Such contracts generally provide Friendship Ridge with reimbursement at amounts other than Friendship Ridge's normal billing rates. Differences between amounts reimbursed and standard billing rates are adjusted through the provision for contractual allowances. Friendship Ridge may also receive incentive payments from state and federal programs. These payments are credited to the provision for contractual allowances when received.

6. **Deferred, Unavailable and Unearned Revenues**

Under the modified accrual basis of accounting, revenue is not recognized until it is available to liquidate liabilities of the current period; under accrual accounting, revenue must be recognized as soon as it is earned. Assets received on or prior to the financial statement date for which the revenue recognition requirements have not been met, are posted as unearned revenue on both the Statement of Net Assets and the governmental funds' balance sheet. Certain payments received by the County are considered unearned and not subject to revenue recognition under either the full or modified accrual basis. Other items reported as unearned revenue in the governmental funds' balance sheet are not recognized as revenue because they are not available to liquidate liabilities of the current period.

7. **Expenditures**

Capital asset purchases, relating to non-proprietary fund type assets, are included in current year expenditures in governmental funds and are capitalized in the government-wide Statement of Net Assets. Interest on non-proprietary fund debt is expensed on the Statement of Revenues, Expenditures, and Changes in Fund Balances when paid.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2007 and June 30, 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

8. Cash, Cash Equivalents, Restricted Cash, and Investments

The County maintains numerous checking accounts for depositing receipts and disbursing expenditures for all governmental fund types. In addition, the County maintains several accounts in the Pennsylvania Local Government Investment Trust (PLGIT) and Pennsylvania Treasurer's Invest Program for Local Governments (Invest Program), which earn interest. Funds are transferred to PLGIT and the Invest Program to utilize the surplus of cash, which would otherwise remain idle in the County's checking accounts. The balances maintained in these pooled investment accounts represent the individual interest of each representative fund in the pooled accounts and are recorded at cost, which approximates fair value.

Investments of the Pension Trust Fund are either stated at fair value as determined from prices available in public markets or at estimated liquidation value as determined by investment fund managers.

For purposes of the accompanying Statement of Cash Flows, the County considers all highly liquid investments with a maturity of three months or less when acquired, including restricted cash, to be cash equivalents regardless of any restrictions.

The County uses derivative transactions for hedging and speculative purposes. Derivatives are exposed to several risks, such as credit risk (the risk of default by the counterparty), market risk (such as the possible adverse effect of a change in interest rates), and legal risk (exposure to an adverse determination concerning the legality of the transactions).

9. Supplies

Supplies of Friendship Ridge consist of expendable materials and other supplies and they are stated at cost determined by the first-in-first-out method.

10. Prepaid Expenses

In both the government-wide and fund financial statements, prepaid expenses are recorded as assets in the specific governmental fund in which future benefits will be derived. The prepaid expenses in the fund financial statements are recognized under the consumption method and they consist primarily of prepaid provider fees in the MH/MR fund.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

11. Capital Assets

The accounting and reporting treatment applied to the capital assets associated with a fund is determined by its measurement focus. Capital assets that have been acquired for general governmental purposes are recorded as expenditures in the governmental funds and are capitalized in the government-wide statement of net assets. All capital assets are recorded at cost, if known, or estimated historical cost. Donated capital assets are recorded at their fair market value on the date of the donation. With the exception of enterprise funds, the County uses a threshold of \$2,000 for recording substantially all capital assets. Enterprise funds treat all items with an estimated useful life exceeding one year as capital assets. All infrastructure placed into service after 1980 is capitalized. Depreciation on capital assets recorded in the government-wide Statement of Net Assets is computed using the straight-line method over the estimated useful lives of the related assets.

Estimated useful lives for the County's classes of reported capital assets are as follows:

| | |
|-----------------------------------|----------|
| Vehicles | 5 years |
| Buildings and Land Improvements | 40 years |
| Furniture, Fixtures and Equipment | 10 years |
| Computer Software | 5 years |
| Computer Hardware | 6 years |
| Infrastructure | 50 years |

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized in the government-wide Statement of Net Assets or in the proprietary funds. Major renewals or betterments are capitalized as additions.

Depreciation of Enterprise Fund property, plant and equipment is computed using the straight-line method over the estimated useful lives of the related assets.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

12. Compensated Absences

The vacation policy for substantially all of the County's employees provides that vacation earned from the prior year's service, granted to employees on January 1, must be taken by December 31 of that same year. Therefore, the accrual in the government-wide Statement of Net Assets represents what was earned through December 31, 2007 granted on January 1, 2008.

Employees, other than those mentioned below, may accumulate up to 100 days of sick leave. Sheriff's deputies may accumulate up to a maximum of 150 days of sick leave. Jail guards receive nine days of sick leave per year with no limit on the maximum number of days that can be carried into the next year. Children & Youth, Office on Aging, and Mental Health employees receive paid time off. These employees may accumulate up to a maximum of 45 days. If sick leave is not used, it is paid to retirement-eligible employees upon retiring. Accumulated sick leave as of December 31, 2007, that is estimated to be paid to employees upon retirement has been recorded in the government-wide Statement of Net Assets under Non-Current Liabilities because the amount estimated to be paid during 2008 was determined to be insignificant.

13. Accrued Healthcare Costs

The HealthChoices Program accrues an estimate of its healthcare cost liability at the end of each accounting period. The estimate is developed using a process that accounts for the lag between the point in time that the payment is made for a service and the point in time that the County became liable for the service. Subsequent payments are reviewed to confirm the reasonableness of the estimate.

Accrued healthcare costs of the Risk Management Funds represent medical self-insurance claims. The medical claims liability is calculated using a completion factor based on claims history and the historical time lag between dates of service and the dates of payment.

14. Early Termination Benefits

Early termination benefits payable to former employees are recorded at their discounted present values using an annual discount rate of 3.50%.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

15. Budgets

The County Board of Commissioners (Commissioners) annually adopts a formal budget for all of the Governmental Fund Types. The following procedures are followed in establishing the budgetary data reflected in the financial statements.

The County Controller submits the proposed budget to the Commissioners no less than thirty days prior to the adoption of the budget for the year beginning the following January 1. The proposed budget is adopted no later than December 31, with certain exceptions. Notice of the availability of the proposed budget for public inspection is made at least twenty days prior to the adoption of the final budget.

The Commissioners may at any time, by resolution, make supplemental appropriations for any lawful purpose from any funds on hand or estimated to be received within the fiscal year and not otherwise appropriated, including proceeds of any borrowing. Appropriations lapse at year-end if not recorded in the financial statements.

Appropriated budgets are adopted and presented on a modified accrual basis consistent with GAAP by fund, department and line-item. Line-items are specific revenues and expenditures, such as taxes, fees, salaries and supplies. This basis of accounting is the same as that used for the fund financial statements. Transfers of appropriations may be requested between line-items within a department or between departments within the same fund. All transfers of appropriations require the approval of the Commissioners. The legal level of control is exercised by fund and department, and management's level of control is at each line-item.

Formal budgetary review is employed as a management control during the year for the General Fund, Special Revenue Funds and the Capital Projects Funds. Budget amounts presented in the schedules and supplementary information accompanying the financial statements are as amended through December 31, 2007.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

16. Encumbrances

The governmental fund types use encumbrance accounting, under which purchase orders and other commitments are recorded. Open encumbrances are reported as reservations of fund balances at year-end and do not constitute expenditures or liabilities since the commitments will be honored, re-appropriated and added to each department's subsequent year's budget.

17. Net Assets

HealthChoices Program

HealthChoices receives funds based on a contract between the County and the Commonwealth of Pennsylvania's Department of Public Welfare (Commonwealth). Per the contract, the County must maintain a restricted reserve for equity and a plan of insolvency. As of December 31, 2007, the County has met the equity requirement by maintaining \$1,500,000 in a separate bank account. Assets can be transferred from this account only with the permission of the Commonwealth. As of December 31, 2007, the County has also met the insolvency requirement by maintaining, at a minimum, the equivalent of sixty days worth of unpaid claims, which was determined by the Commonwealth to be \$2,572,680, in a separate bank account.

The contract also allows the County to maintain a reserve for risk and contingency in an amount not to exceed ninety days of unpaid claims. The County has met this reserve by restricting \$4,190,040 of cash and investments. Draw-down of these funds requires approval of the Commonwealth.

The County may also, with approval of the Commonwealth, reserve earnings for reinvestment in services that are for the primary benefit of medical assistance recipients. The total amount of this Reserve for Reinvestment was approximately \$12.7 million, of which approximately \$10.2 million has been approved by the Commonwealth as of December 31, 2007. Of the approved reinvestment money, approximately \$6.5 million has been spent on reinvestment services, leaving approximately \$3.7 million in restricted net assets. The County is currently devising and submitting reinvestment plans for the balance of the funds. The Commonwealth must approve the actual expenditures of these funds. All restrictions on net assets are imposed by laws or regulations of the Commonwealth.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

17. **Net Assets** - Continued

Internal Service Funds

The internal service funds account for the self-insured employees' medical health as well as the workers' compensation expenses.

During 2007, the County increased the medical premium charged to participating funds in order to reduce its medical internal service fund deficit. This increase was still insufficient to cover this deficit. Future increases may be required to fund this deficit. The County also increased the workers' compensation charge in order to reduce the fund's deficit. This increase was sufficient to cover all of the fund's workers' compensation expenses.

18. **Pending Governmental Accounting Standards Board Pronouncements**

In November 2006, the GASB issued Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations." This statement addresses accounting and financial reporting for pollution (including contamination) remediation obligations which are obligations to address the current or potential detrimental effects of existing pollution by governments participating in pollution remediation activities such as site assessments and cleanups. This statement is to be implemented for periods beginning after December 15, 2007.

In May 2007, the GASB issued Statement No. 50, "Pension Disclosures - An Amendment of GASB Statements No. 25 and No. 27." The reporting changes required by this statement amend applicable note disclosure and required supplementary information by pension plans and by employers that provide pension benefits to conform with the GASB Statements No. 43 and No. 45. This statement is effective for periods beginning after June 15, 2007.

In June 2007, the GASB issued Statement No. 51, "Accounting and Financial Reporting for Intangible Assets." This statement standardizes accounting and financial reporting of certain intangible assets. This statement is effective for periods beginning after June 15, 2009.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

**18. Pending Governmental Accounting Standards Board Pronouncements
- Continued**

In November 2007, the GASB issued Statement No. 52, "Land and Other Real Estate Held for Investments by Endowments." This statement establishes consistent standards for the reporting of land and other real estate held as investments. It requires endowments to report their investments at fair value.

The County has not determined the impact, if any, the application of the aforementioned statements will have on the County's financial statements.

19. Use of Estimates

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect reported amounts. Actual results could differ from those estimates.

NOTE B - PROPERTY TAXES

Property tax millage rates are set by a resolution of the Commissioners prior to January 1 of the current year, with certain exceptions. Taxes are payable in the beginning of the current fiscal year through April of the following fiscal year as approved by the Commissioners. After that date, the properties are liened and legal action is required to sell real property for tax proceeds.

The County is permitted, by the County Code, to levy real property taxes up to a maximum of twenty-five mills on every dollar of adjusted valuation.

Property tax revenues for the year ended December 31, 2007, are recorded on the Statement of Activities net of discounts of \$580,948 and inclusive of penalties amounting to \$175,959. Property tax receivables are stated net of allowance for uncollectible accounts. At December 31, 2007, the balance in the allowance for uncollectible taxes is \$1,948,800.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS December 31, 2007 and June 30, 2007

NOTE C - CASH DEPOSITS AND INVESTMENTS

Beaver County has not adopted a formal investment policy other than that pertaining to the Pension Trust Fund; however, all investment decisions are based upon legally binding statutes determined by the County Code. Statutes allow the County to invest in the following:

- United States Treasury bills
- Short-term obligations of the United States Government or the Commonwealth of Pennsylvania
- Deposits in savings accounts or time deposits of institutions having a place of business in the Commonwealth of Pennsylvania and insured or collateralized in accordance with Act 72
- Certificates of deposit limited to twenty per centum of capital and surplus if purchased from a commercial bank and limited to twenty per centum of assets minus liabilities if purchased from a savings and loan association, or other investments, collateralized by the aforementioned federal government securities

Investments

The County invests in certain Pooled Investment Funds which are managed by the Pennsylvania Local Government Investment Trust and the Invest Program. The fair value of the position in the PLGIT and the Invest Program are the same as the value of the pools' shares. An oversight committee headed by the Pennsylvania State Treasurer monitors the overall effectiveness of the Invest Program. PLGIT's Board of Trustees and its participants annually select an independent auditing firm to perform a financial audit of the Trust. The pools are composed of a diversified portfolio of short-term securities, repurchase agreements and certificates of deposit collateralized with U.S. Treasury securities, and obligations of the U.S. Government.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2007 and June 30, 2007

NOTE C - CASH DEPOSITS AND INVESTMENTS - (Continued)

Cash Deposits

Cash deposits are exposed to custodial credit risk, which is the risk that a government may not recover the funds it placed in the custody of a counterparty (such as if the counterparty would enter bankruptcy proceeding). The County does not have a formal deposit policy for custodial credit risk. At December 31, 2007, Beaver County's deposits, except for the Pension Trust Fund, were either insured or collateralized with assets held by the pledging bank's trust department and not in the County's name. At December 31, 2007, the bank balance of the County's cash deposits was approximately \$24,000,000, of which approximately \$800,000 was insured. The remaining uninsured bank balance was collateralized in accordance with Act 72 of the Commonwealth of Pennsylvania State Legislature, which states that a depository must pledge assets to secure state and municipal deposits. The pledged assets must be equal to at least the total amount of the public deposits at the depository and may be on a pooled basis.

Pension Trust Fund

The County has a policy in place to define the types and the mix of investments that are commensurate with the goals of the Pension Trust Fund. The policy applies certain limitations on the amounts of domestic equities, international equities, fixed income investments, and cash equivalents that the fund may hold at any one time. All assets of the County's Pension Trust Fund, except for its interest in the limited partnership and common/collective trusts, were either insured or collateralized with assets held in the custodian's trust department.

Credit risk is the risk that investments may not be recovered from the counterparty due to bankruptcy, theft, or other occurrences. To mitigate this risk, the Beaver County Pension Trust Fund Investment Policy limits an investment in common stock in any one corporation to 5% of the total portfolio. For corporate bonds, the County's policy requires that bonds be rated at least "BBB" by the Standard and Poor's bond rating system.

Foreign currency risk is the risk that investments may lose value due to fluctuation of foreign currency exchange rates. All foreign equity investments are pooled investments managed by a single counterparty. As a result of the pooling of investments, the Pension Trust Fund does not own foreign securities but rather shares of the pooled investment fund.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007**

NOTE C - CASH DEPOSITS AND INVESTMENTS - (Continued)

Pension Trust Fund - Continued

As of December 31, 2007, the Pension Trust Fund's investments and cash deposits consisted of:

Investments

| | |
|--|-----------------------|
| Common and Preferred Stocks | \$ 98,352,346 |
| Interest in Common/Collective Trusts | 16,004,849 |
| Bonds and Notes: | |
| U.S. Government Notes | 15,468,248 |
| U.S. Government Bonds | 949,622 |
| U.S. Government Agency Bonds | 17,960,584 |
| U.S. Government Mortgage Backed Securities | 11,776,742 |
| Corporate Bonds | 25,654,460 |
| Interest in Limited Partnership | <u>10,987,874</u> |
| Total Investments | 197,154,725 |
| Cash Deposits | <u>5,552,469</u> |
| Total Cash Deposits and Investments | <u>\$ 202,707,194</u> |

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007**

NOTE C - CASH DEPOSITS AND INVESTMENTS - (Continued)

Pension Trust Fund - Continued

Investments in bonds and notes and their respective weighted averages to maturity are as follows:

| | <u>Amount at December 31, 2007</u> | <u>Weighted Average To Maturity (Years)</u> |
|---|--|---|
| Obligations Explicitly Guaranteed by the United States Government: | | |
| U.S. Government Notes | \$15,468,248 | 6.74 |
| U.S. Government Bonds | <u>949,622</u> | 11.15 |
| Subtotal | 16,417,870 | |
| Other Obligations: | | |
| U.S. Government Agency Bonds | 17,960,584 | 9.71 |
| U.S. Government Mortgage Backed Securities | 11,776,742 | 23.12 |
| Corporate Bonds | <u>25,654,460</u> | <u>11.00</u> |
| Subtotal | 55,391,786 | |
| Total | <u>\$71,809,656</u> | |
| Portfolio Weighted Average | | <u>11.75</u> |

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007**

NOTE C - CASH DEPOSITS AND INVESTMENTS - (Continued)

Pension Trust Fund - Continued

The bond ratings given to corporate bonds, except those explicitly guaranteed by the United States government, as determined by the Standard and Poor's bond rating system along with the amount invested by the Pension Trust Fund at December 31, 2007, are as follows:

| <u>Bond Rating</u> | <u>Amount of Investment</u> |
|------------------------------------|-----------------------------|
| AAA | \$ 24,039,955 |
| AA+ | 432,825 |
| AA | 1,710,069 |
| AA- | 2,573,123 |
| A+ | 3,160,453 |
| A | 7,217,527 |
| A- | 1,049,270 |
| BBB+ | 1,367,096 |
| BBB | 79,535 |
| BBB- | 1,788,159 |
| BB+ | 414,000 |
| Unrated Mortgage Backed Securities | <u>11,559,774</u> |
| Total | <u>\$ 55,391,786</u> |

Component Unit - BCTA

At June 30, 2007, the BCTA's cash and cash equivalents had a bank balance of \$1,233,318 and a book balance of \$1,135,472.

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned. At June 30, 2007, the cash deposits of BCTA consisted of:

| | |
|--|--------------------|
| Cash - FDIC insured | <u>\$ 100,000</u> |
| Collateralized by securities pledged to a pooled public funds account with the Federal Reserve | <u>1,133,318</u> |
| | <u>\$1,233,318</u> |

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007**

NOTE C - CASH DEPOSITS AND INVESTMENTS - (Continued)

Component Unit - BCTA - Continued

The collateralization of funds displayed above is in accordance with Act 72 of the Commonwealth of Pennsylvania State Legislature, which states that a depository must pledge assets to secure state and municipal deposits.

Component Unit - CCBC

At June 30, 2007, the CCBC had a cash bank balance of \$5,298,967 and a corresponding book balance of \$4,736,484. The difference between the bank balance and the carrying value shown above represents year-end reconciling items such as deposits in transit and outstanding checks. In accordance with Act 72 of the Commonwealth of Pennsylvania, the above deposits of each of the College's depositories are collateralized by securities pledged to a pooled public funds account with the Federal Reserve System. In addition, the first \$100,000 held at each depository is insured through the Federal Deposit Insurance Corporation (FDIC).

The Community College of Beaver County investments at June 30, 2007, were composed of the following:

| | |
|-----------------------|---------------------|
| | <u>Fair Value</u> |
| Treasury Obligations | \$ 741,723 |
| Repurchase Agreements | <u>26,022,602</u> |
| | 26,764,325 |
| Investments held | |
| by Foundation | <u>388,212</u> |
| | <u>\$27,152,537</u> |

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007

NOTE D - RECEIVABLES AND PAYABLES

Receivables at December 31, 2007 were as follows:

| | Accounts Receivable | Taxes | Due From Other Governments | Other | Total Receivables |
|---|------------------------|--------------|-------------------------------|------------|----------------------|
| Governmental Activities | | | | | |
| General Fund | \$ - | \$ 4,578,067 | \$ 693,639 | \$ 284,438 | \$ 5,556,144 |
| MH/MR | - | - | 510,189 | 194,198 | 704,387 |
| Children & Youth | - | - | 1,046,435 | 8,595 | 1,055,030 |
| Community Development | - | - | 938,455 | 9,857 | 948,312 |
| Non-major Governmental Funds | - | - | 1,469,448 | 53,230 | 1,522,678 |
| Workers' Comp. Internal Service | - | - | - | 20,053 | 20,053 |
| Medical Internal Service | - | - | - | 14,292 | 14,292 |
| Allowance for doubtful accounts | - | 4,578,067 | 4,658,166 | 584,663 | 9,820,896 |
| | - | (1,948,800) | - | - | (1,948,800) |
| Total - Governmental Activities | - | 2,629,267 | 4,658,166 | 584,663 | 7,872,096 |
| Business-type Activities | | | | | |
| Friendship Ridge | \$ 9,623,739 | - | - | - | \$ 9,623,739 |
| HealthChoices | 184,399 | - | - | - | 184,399 |
| Other proprietary | 112,065 | - | - | - | 112,065 |
| Total - Business-type Activities | 9,920,203 | - | - | - | 9,920,203 |
| Primary Government Total | \$ 9,920,203 | \$ 2,629,267 | \$ 4,658,166 | \$ 584,663 | \$ 17,792,299 |
| Component Units | | | | | |
| BCTA | - | - | \$ 6,297,936 | \$ 17,843 | \$ 6,315,779 |
| CCBC | - | - | \$ 724,737 | \$ 207,218 | \$ 931,955 |

Payables at December 31, 2007, consisted of amounts due to vendors for goods and services provided to the County.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007

NOTE E - INTERFUND BALANCES AND TRANSFERS

Interfund Balances

The County reports interfund balances among all of its funds. The balances for non-major governmental and business-type activities are aggregated into a single column or row. The total of all balances agrees with the sum of interfund balances presented in the Statements of Net Assets / balance sheet for governmental funds and for proprietary funds. All interfund balances are expected to be repaid within one year.

| Interfund Receivable | | | | | | | | | | | Interfund Payable |
|-----------------------|--------------|------------------|------------|-----------------------|---------------|------------------|------------------------------|---------------|---------------|---------------|-------------------|
| | General Fund | Children & Youth | MH/MR | Community Development | 2007 Projects | Capital Projects | Other Non-major Governmental | Internal | | | Total Assets |
| | | | | | | | | Service Funds | Business Type | | |
| General Fund | \$ - | \$ 2,637,771 | \$ 115,984 | \$ 17,199 | \$ 19,939 | \$ - | \$ 626,853 | \$ 346,000 | \$ 319,094 | \$ 4,082,840 | |
| Children & Youth | 947,463 | - | - | - | - | - | - | - | - | 947,463 | |
| MH/MR | 639,807 | - | - | - | - | - | - | - | - | 639,807 | |
| Friendship Ridge | - | - | - | - | 5,111,561 | - | - | - | - | 5,111,561 | |
| 2007 Bond | 115,789 | - | - | - | - | - | - | - | - | 115,789 | |
| Community Development | 26,694 | - | - | - | - | - | - | - | - | 26,694 | |
| Total Liabilities | \$ 1,729,753 | \$ 2,637,771 | \$ 115,984 | \$ 17,199 | \$ 5,131,500 | \$ - | \$ 626,853 | \$ 346,000 | \$ 319,094 | \$ 10,924,154 | |

Children & Youth's balance due to the General Fund includes quarterly administrative reimbursements of \$2,514,130 while the remaining \$123,641 is due to a time lag of payment dates between funds.

Included in the Other Non-major Governmental Funds column is a loan of \$32,000 to the Victim Witness Fund.

The Internal Service Funds balance of \$346,000 is comprised of two loans, \$116,000 to the Medical Internal Service Fund and \$230,000 to the Workers' Compensation Fund.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007**

NOTE E - INTERFUND BALANCES AND TRANSFERS - (Continued)

Business-type Fund transfers consist of \$303,558 due from the Emergency Services Fund for their fourth quarter salary expense reimbursement while the remaining \$15,536 is due to a time lag of payment dates between the HealthChoices Fund and the General Fund.

The amounts due from the General Fund to the MH/MR Fund and the Children and Youth Fund represent remaining County matches for 2007.

The \$5,111,561 due from the 2007 Capital Projects Fund to Friendship Ridge represents the remaining balance of the 2007 bond proceeds that were allocated to Friendship Ridge.

The amount due from the General Fund to the 2007 Capital Projects Fund represents reimbursement for capital purchases determined to be General Fund expenditures.

The \$26,694 due to Community Development from the General Fund represents cash that the General Fund withdrew from Community Development for a check that was subsequently voided. The money is now due back to Community Development.

All remaining balances resulted from the time lag of payment dates between funds.

Interfund Transfers

Interfund transfers for the year ended December 31, 2007, consisted of the following:

| | <u>Transfer From</u> | | <u>Total</u> |
|--------------------|----------------------|-------------------------|-------------------|
| | <u>General Fund</u> | <u>Friendship Ridge</u> | |
| <u>Transfer To</u> | | | |
| General Fund | \$ - | \$ 1,200,000 | \$ 1,200,000 |
| Friendship Ridge | 615,614 | - | 615,614 |
| Total | <u>\$ 615,614</u> | <u>\$ 1,200,000</u> | <u>\$ 584,386</u> |

The \$615,614 transfer from the County's General Fund to Friendship Ridge consists of all indirect costs allocated to Friendship Ridge.

The \$1,200,000 transfer from Friendship Ridge to the County's General Fund was for operational purposes.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007**

NOTE F - LAND, BUILDINGS, IMPROVEMENTS AND EQUIPMENT

During 1996, the County contracted with an appraisal company to provide a detailed capital asset listing that included acquisition cost and acquisition year. The dates of acquisition and acquisition costs were either furnished by the County or estimated using reverse-trending techniques applied against the estimate of current replacement cost. The actual or estimated historical cost determined by the appraisal and transactions that occurred subsequent to the appraisal are reported in the government-wide Statement of Net Assets.

Depreciation and amortization was charged to functions as follows:

Governmental Activities:

| | |
|---------------------------------------|---------------------|
| General Government | \$ 1,028,165 |
| Judicial | 220,646 |
| Public Safety | 641,808 |
| Public Works and Enterprise | 1,398,471 |
| Culture, Recreation, and Conservation | 245,428 |
| Human Services | 1,035,157 |
| Economic Development | <u>45,469</u> |
| Total | <u>\$ 4,615,144</u> |

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS December 31, 2007 and June 30, 2007

NOTE F - LAND, BUILDINGS, IMPROVEMENTS AND EQUIPMENT - (Continued)

The following is a summary of changes in capital assets for governmental activities during 2007:

| | Balance at January 1, 2007 | Additions | Disposals | Balance at December 31, 2007 |
|----------------------------|----------------------------------|---------------------|--------------------|------------------------------------|
| Not being Depreciated: | | | | |
| Land | \$ 1,874,354 | \$ - | \$ - | \$ 1,874,354 |
| Other capital assets: | | | | |
| Buildings and Improvements | 83,134,711 | - | - | 83,134,711 |
| Vehicles | 2,356,160 | 236,684 | (17,081) | 2,575,763 |
| Furniture and Equipment | 14,330,744 | 1,162,105 | (171,869) | 15,320,980 |
| Infrastructure | 31,370,528 | 2,713,748 | - | 34,084,276 |
| | <u>131,192,143</u> | <u>4,112,537</u> | <u>(188,950)</u> | <u>135,115,730</u> |
| Accumulated Depreciation: | | | | |
| Buildings and Improvements | (21,534,174) | (2,647,872) | - | (24,182,046) |
| Vehicles | (2,119,861) | (140,410) | 17,081 | (2,243,190) |
| Furniture and Equipment | (9,237,570) | (1,185,314) | 160,825 | (10,262,059) |
| Infrastructure | (8,942,328) | (641,548) | - | (9,583,876) |
| | <u>(41,833,933)</u> | <u>(4,615,144)</u> | <u>177,906</u> | <u>(46,271,171)</u> |
| Net other capital assets | <u>89,358,210</u> | <u>(502,607)</u> | <u>(11,044)</u> | <u>88,844,559</u> |
| Net capital assets | <u>\$ 91,232,564</u> | <u>\$ (502,607)</u> | <u>\$ (11,044)</u> | <u>\$ 90,718,913</u> |

The above assets as of December 31, 2007, include \$9,029,213 relating to capitalized leases and \$3,803,951 of associated accumulated amortization. Included in this amount are the 2007 additions of Information Technology capitalized leases of \$329,409 and related amortization of \$65,882.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007**

NOTE F - LAND, BUILDINGS, IMPROVEMENTS AND EQUIPMENT - (Continued)

Depreciation and amortization was charged to functions as follows:

| | |
|---------------------------|---------------------|
| Business-type Activities: | |
| Friendship Ridge | \$ 1,412,141 |
| HealthChoices | 6,052 |
| Emergency Services 911 | <u>86,597</u> |
| Total | <u>\$ 1,504,790</u> |

The following is a summary of changes in capital assets for business-type activities during 2007:

| | Balance at January 1, 2007 | Additions | Disposals | Balance at December 31, 2007 |
|----------------------------|----------------------------------|---------------------|-------------|------------------------------------|
| Not being Depreciated: | | | | |
| Land | \$ 42,075 | \$ - | \$ - | \$ 42,075 |
| Construction in Progress | <u>-</u> | <u>39,212</u> | <u>-</u> | <u>39,212</u> |
| | <u>42,075</u> | <u>39,212</u> | <u>-</u> | <u>81,287</u> |
| Other capital assets: | | | | |
| Buildings and Improvements | 14,132,486 | 76,886 | - | 14,209,372 |
| Furniture and Equipment | <u>28,337,084</u> | <u>847,441</u> | <u>-</u> | <u>29,184,525</u> |
| | <u>42,469,570</u> | <u>924,327</u> | <u>-</u> | <u>43,393,897</u> |
| Accumulated Depreciation: | | | | |
| Buildings and Improvements | (6,940,639) | (412,183) | - | (7,352,822) |
| Furniture and Equipment | <u>(21,846,956)</u> | <u>(1,092,607)</u> | <u>-</u> | <u>(22,939,563)</u> |
| | <u>(28,787,595)</u> | <u>(1,504,790)</u> | <u>-</u> | <u>(30,292,385)</u> |
| Net other capital assets | <u>13,681,975</u> | <u>(580,463)</u> | <u>-</u> | <u>13,101,512</u> |
| Net capital assets | <u>\$ 13,724,050</u> | <u>\$ (541,251)</u> | <u>\$ -</u> | <u>\$ 13,182,799</u> |

Included under the caption depreciation and amortization in the Statement of Revenues, Expenses, and Changes in Net Assets, proprietary funds, is amortization by Friendship Ridge of capitalized bond financing costs.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007**

NOTE F - LAND, BUILDINGS, IMPROVEMENTS AND EQUIPMENT - (Continued)

Component Unit- BCTA

The following is a summary of BCTA's property accounts as of June 30, 2007:

| | | <u>Estimated Useful Lives</u> |
|--|----------------------|---------------------------------------|
| Land | \$ 3,286,120 | N/A |
| Buildings and Improvements | 14,124,805 | 30 |
| Tangible Transit Operating Property | 9,514,921 | 5 - 12 |
| Furniture and Equipment | <u>1,319,019</u> | 4 - 5 |
| | 28,244,865 | |
| Less Accumulated Depreciation | <u>(11,179,293)</u> | |
| | <u>\$ 17,065,572</u> | |

Depreciation expense for the year ended June 30, 2007, amounted to \$1,579,016.

Component Unit - CCBC

The following is a summary of CCBC's property accounts as of June 30, 2007:

| | | <u>Estimated Useful Lives</u> |
|-------------------------------|---------------------|---------------------------------------|
| Land | \$ 204,425 | N/A |
| Land Improvements | 747,863 | 20 |
| Buildings and Improvements | 17,971,268 | 25-50 |
| Vehicles | 193,782 | 8-10 |
| Furniture and Equipment | <u>6,384,722</u> | 5-20 |
| | 25,502,060 | |
| Less Accumulated Depreciation | <u>(16,192,176)</u> | |
| | <u>\$ 9,309,884</u> | |

Depreciation expense for the year ended June 30, 2007, amounted to \$741,916.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007**

NOTE G - EMPLOYEE RETIREMENT PLAN

1. Plan Description

The County sponsors the Beaver County Employees' Pension Plan (the Plan), a single-employer, defined benefit pension plan covering substantially all of its employees. The Plan provides retirement, disability, and death benefits to plan members and their beneficiaries. Administration of the Plan is provided by the Beaver County Employees' Retirement Board (Retirement Board), consisting of the Board of County Commissioners, the County Controller, and the County Treasurer. Cost-of-living adjustments are provided at the discretion of the Retirement Board.

The Plan is established, administered, and funded under the authority of the "County Pension Law," Act 96 of 1971, as amended, enacted by the General Assembly of the Commonwealth of Pennsylvania. There is no stand-alone financial report of the Plan and the Retirement Board does not issue a public report including the Plan.

As of January 1, 2008, the date of the last available actuarial report, employee membership data related to the pension plan was as follows:

| | |
|---|--------------|
| Retirees and beneficiaries currently receiving benefits | 551 |
| Terminated employees not yet receiving benefits | <u>50</u> |
| | <u>601</u> |
| Active plan participants: | |
| Vested | 1,053 |
| Non-vested | <u>392</u> |
| | <u>1,445</u> |

The Plan provides pension benefits for normal retirement at age sixty or at age fifty-five with twenty or more years of completed service. This is based on a formula including final average salary and years of credited service, in addition to the member's accumulated contribution to the Plan. Early retirement is available at an earlier age as specified by the Plan. Members become vested after five years of service.

2. Funding Policy, Annual Pension Cost, Net Pension Obligation and Contributions

The Plan requires participants to contribute a minimum of 9%, but not more than 19%, of their salary depending on the participant's employment class, wage and on current actuarial determinations. All full-time and part-time employees expected to complete 1,000 hours of service in a twelve-month period when employed are required to participate in the system.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007**

NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

2. Funding Policy, Annual Pension Cost, Net Pension Obligation and Contributions - Continued

The Plan funding policy provides for periodic employer contributions at actuarially determined rates that are necessary to accumulate sufficient assets to pay benefits when due. The annual pension cost for 2007 was determined as part of an actuarial valuation as of January 1, 2007, using the aggregate actuarial cost method. This actuarial method does not identify or separately amortize unfunded actuarial liabilities.

In December 2005, the County issued the Federally Taxable General Obligation Pension Bond, Series of 2005 (see Note J), to reduce volatility of future pension contributions.

The annual pension cost and net pension obligation (asset) for the current year were as follows:

| | |
|---|------------------------|
| Annual required contribution | \$ 2,113,111 |
| Interest on net pension asset | (830,141) |
| Adjustment to the annual required contribution | <u>1,296,750</u> |
| Annual pension cost | 2,579,720 |
| Contributions made | <u>2,113,111</u> |
| Increase in net pension obligation | 466,609 |
| Net pension obligation (asset), beginning of year | <u>(11,068,541)</u> |
| Net pension obligation (asset), end of year | <u>\$ (10,601,932)</u> |

Three-year Trend Information:

| <u>Fiscal Year</u> <u>Ending</u> | <u>Annual Pension</u> <u>Cost (APC)</u> | <u>Percentage of</u> <u>APC Contributed</u> | <u>Net Pension</u> <u>Obligation (asset)</u> |
|-------------------------------------|--|--|---|
| December 31, 2007 | \$2,579,720 | 82% | \$(10,601,932) |
| December 31, 2006 | \$2,496,888 | 81% | \$(11,068,541) |
| December 31, 2005 | \$3,737,244 | 409% | \$(11,544,892) |

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007**

NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

2. Funding Policy, Annual Pension Cost, Net Pension Obligation and Contributions - Continued

The information presented above was determined as part of the actuarial valuations for the years indicated. The additional information is for all years presented unless otherwise indicated.

| | |
|---------------------------|---|
| Actuarial cost method | Aggregate actuarial |
| Asset valuation method | Five-year smoothed market |
| Actuarial assumptions: | |
| Investment rate of return | 7.5% |
| Projected salary increase | 3.75% in 2005; 4.00% in 2006; 4.25-4.5% in 2007 |
| Inflation adjustment | 3.0% |
| Cost-of-living adjustment | 100.0% of CPI effective as of January 1, 2000 |

3. Reserves

Under Act 96 of 1971, the Plan is required to maintain the following reserves:

Members Annuity Reserve Account:

This reserve represents the total contributions deducted from the salaries of the active and terminated vested members of the retirement system together with accumulated interest additions. At January 1, 2008, the balance in this account was \$61,704,767 and it was fully funded.

County Annuity Reserve Account:

This account represents the reserves set aside for the payment of the County's share of the retirement allowances. When a retirement annuity is scheduled to commence, sufficient monies are transferred from the County Annuity Reserve Account to the Retired Members' Reserve Account to provide for such an annuity. As of January 1, 2008, the balance in this account was \$64,438,729 and it was funded to the extent of the 2007 APC.

Retired Members' Reserve Account:

This is the account from which monthly retirement allowances, including cost-of-living increases and death benefits, are paid. As of January 1, 2008, the balance in this account amounted to a fully funded \$43,820,050.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007**

NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

Component Unit - CCBC

CCBC participates in a cost sharing defined benefit multiple-employer Public School Employees' Retirement System (PSERS) established under and administered by the authority of the Public School Employees' Retirement Code Act No. 96 of October 2, 1975, as amended (24 Pa. C.S. 8101-8535). PSERS is a component unit of the Commonwealth of Pennsylvania. A brief summary of the plan's provisions are as follows:

- Pension Benefits-** Eligible participants are entitled to a normal retirement allowance totaling 2.5% of the participants' final average compensation, as defined, multiplied by the number of years of credited service. Full vesting is reached after ten years of credited service. The plan provides for retirement, death and disability benefits, legislatively mandated ad hoc cost-of-living adjustments, and healthcare insurance premium assistance to qualifying annuitants. Early retirement is an additional feature of this plan.
- Retirement Age-** Participants may retire with normal benefits at age sixty-two, age sixty with thirty or more years of service, or with thirty-five years of service regardless of age.
- Death Benefits-** When a participant dies in active service after attaining age sixty-two or ten years of service, the beneficiary is entitled to a death benefit equal to the benefit which would have been effective if the member retired on the day before death.
- Disability Benefits-** A participant who becomes disabled after completing five years of credited service is eligible for an annuity totaling 2.5% of the final average salary, as defined, multiplied by the number of years of credited service, but not less than one-third of such salary, nor greater than the benefit the member would have had at normal retirement age.

The employer and employee obligations to contribute are established by authority of the aforementioned Public School Employees' Retirement Code and require contributions by active members, participating employers, and the Commonwealth.

Contributions required of employers are based upon an actuarial valuation. For the fiscal year ended June 30, 2007, the rate of employer contribution was 6.46% of covered payroll. This rate is comprised of a 0.74% rate for health insurance premium assistance and a pension contribution rate of 5.72%. Pension expense for CCBC for the year ended June 30, 2007, totaled \$122,557 based on a total covered payroll of \$1,897,162.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007**

NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

Component Unit - CCBC - Continued

Active members who joined the System prior to July 22, 1983, contribute at 5.25% (Member Class TC) or at 6.5% (Member Class TD) of the member's qualifying compensation. Members who joined the System on or after July 22, 1983, and who were active or inactive as of July 1, 2001, contribute at 6.25% (Member Class TC) or at 7.5% (Member Class TD) of the member's qualifying compensation. Members who joined the System after June 30, 2001, contribute at 7.5% (automatic Member Class TD). CCBC employees contributed \$136,710 to the PSERS for the year ended June 30, 2007.

The PSERS issues a comprehensive annual financial report that includes financial statements and required supplementary information for the plan. A copy of the report may be obtained by writing to Barbara D. Flurie, Office of Financial Management and Budget, Public School Employees' Retirement System, P.O. Box 125, Harrisburg, PA 17108-0125.

NOTE H - DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan established in accordance with Internal Revenue Code Section 457. The Beaver County, PA Deferred Compensation Plan No. 638001 (the Plan), a single employer defined contribution plan, is available to substantially all County employees, and permits them to defer a portion of their compensation until future years. The Plan's administrator is The Standard Financial Group Inc., previously Invesmart of Pittsburgh Inc. For the year ended December 31, 2007, total employee contributions amounted to \$311,851. There were no employer contributions for this same period. Participation in the Plan is optional. The deferred compensation is not available for withdrawal until termination, retirement, death or an unforeseeable emergency. During 1997, the County placed all assets of the Plan in a custodial account. As a result, and in accordance with GASB Statement No. 32, the Plan's assets have been removed from the County's Agency Fund.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007**

NOTE H - DEFERRED COMPENSATION PLAN - (Continued)

Component Unit - BCTA

The BCTA maintains the Beaver County Transit Authority's Simplified Employees Pension Plan, a single-employer defined contribution plan. Plan provisions and contribution requirements are established and may be amended under provisions of Section 408 of the Internal Revenue Code. The BCTA is the plan's administrator and it agrees to contribute 9% of the participants' salaries, but not exceeding the federally mandated maximum for such a plan. All full-time employees who earn at least \$400 in any three of the last five calendar years are eligible to participate in the plan. Participants are not required to contribute to the plan. BCTA's contributions amounted to approximately \$88,336 for the year ended June 30, 2007. Plan assets are invested in a diversified portfolio that consists of debt and equity securities.

Component Unit - CCBC

CCBC established a Teachers Insurance and Annuity Association/College Retirement Equities Fund (TIAA-CREF), under Section 403 (b) of the Internal Revenue Code, for eligible employees. This TIAA-CREF is a single-employer defined contribution plan administered by CCBC. Under the plan, individual contracts are entered into for covered employees. Employees are fully vested, and the contract fully funded, in accordance with the terms of the contract. Employee contributions are 5% of covered compensation. Employer contributions vary according to compensation levels and the employees' position at CCBC. During the year ended June 30, 2007, CCBC contributed \$482,984 to this retirement plan.

NOTE I - SHORT-TERM DEBT

On January 2, 2007, the County entered into a tax revenue anticipation note agreement with a financial institution for the purpose of meeting current expenditures. The note provided for borrowings of \$8,000,000 bearing interest at an annual rate of 4.35%. From these proceeds, \$2,200,000 was transferred to Friendship Ridge. This facility repaid the \$2,200,000 by November 15, 2007. All outstanding principal and accrued interest was satisfied by December 28, 2007, prior to the note's maturity date of December 31, 2007.

| | | | |
|-------------------------|--------------------|--------------------|---------------------------|
| Beginning Balance at | | | Ending Balance at |
| <u>January 1, 2007:</u> | <u>Borrowings:</u> | <u>Repayments:</u> | <u>December 31, 2007:</u> |
| \$- | 8,000,000 | (8,000,000) | \$- |

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007**

NOTE I – SHORT-TERM DEBT – (Continued)

Component Unit - BCTA

BCTA entered into a \$500,000 demand line of credit agreement with a financial institution on February 20, 2004. The terms of the agreement include interest payable monthly on the outstanding balance at a rate of 4%. BCTA has pledged certain federal and state grant proceeds as collateral for this obligation. There are no outstanding balances as of June 30, 2007.

Component Unit - CCBC

On July 28, 2004, CCBC entered into a working capital line of credit note for \$1,500,000. The terms of the note outline two variable rates of interest based in part on the London Interbank Offering Rate. The general revenues of CCBC serve as collateral on this note. There is no outstanding balance on this line of credit as of June 30, 2007.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007**

NOTE J - LONG-TERM LIABILITIES

The following summarizes the long-term debt activity for the year ended December 31, 2007:

| | <u>Interest Rate</u> | <u>Issued</u> | <u>Maturity</u> | <u>Payable January 1, 2007</u> | <u>Issuance</u> | <u>Retirements</u> | <u>Accrued Interest/ Amortization</u> | <u>Payable December 31, 2007</u> |
|--|--------------------------|---------------|-----------------|--|-----------------|--------------------|---|--|
| <u>Governmental Activities</u> | | | | | | | | |
| <u>General Obligation Bonds</u> | | | | | | | | |
| Construction Fund | Varies | 5/16/1986 | 9/1/2010 | \$ 2,897,759 | \$ - | \$ (860,000) | \$ 217,910 | \$ 2,255,669 |
| 1997 Bonds | 4.00-5.30 | 10/15/1997 | 10/1/2026 | 58,125,000 | - | (58,125,000) | - | - |
| Series B of 2007 | Variable | 11/1/2007 | 10/1/2026 | - | 59,058,621 | - | 2,472 | 59,061,093 |
| Series A of 2003 | 1.15-2.15 | 7/1/2003 | 7/1/2008 | 2,058,949 | - | (1,120,000) | 23,457 | 962,406 |
| Series A of 2005 | 2.50-4.25 | 7/28/2005 | 9/1/2025 | 2,825,000 | - | (320,000) | - | 2,505,000 |
| Series A of 2007 | 3.65-4.30 | 11/17/2007 | 11/1/2024 | - | 3,222,989 | - | 353 | 3,223,342 |
| | | | | 65,906,708 | 62,281,610 | (60,425,000) | 244,192 | 68,007,510 |
| <u>Other General Long Term Liabilities</u> | | | | | | | | |
| Pension Bond of 2005 | 4.75-5.65 | 12/22/2005 | 12/15/2030 | 13,675,000 | - | (320,000) | - | 13,355,000 |
| PFA Series A 2005 | 3.75-5.60 | 5/27/2005 | 10/1/2029 | 3,165,000 | - | (80,000) | - | 3,085,000 |
| PFA Series A of 2006 | 3.70-4.00 | 9/28/2006 | 10/1/2015 | 3,013,764 | - | - | 1,679 | 3,015,443 |
| PFA Series B of 2006 | 5.25-5.40 | 9/28/2006 | 10/1/2015 | 2,024,294 | - | - | 2,298 | 2,026,592 |
| PFA 2006 Bonds | 3.45-4.00 | 10/15/2006 | 9/1/2022 | 3,825,772 | - | (150,000) | 10,398 | 3,686,170 |
| PFA Series of 2007 | 6.00-6.10 | 5/15/2007 | 12/1/2011 | - | 455,000 | - | - | 455,000 |
| | | | | 25,703,830 | 455,000 | (550,000) | 14,375 | 25,623,205 |
| Total Governmental Activities | | | | \$ 91,610,538 | \$ 62,736,610 | \$ (60,975,000) | \$ 258,567 | \$ 93,630,715 |

Note: The General Obligation Bonds issued May 1986 are stated at the present value of their required future payments

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007

NOTE J - LONG-TERM LIABILITIES - (Continued)

| | Interest Rate | Issued | Maturity | Payable January 1, 2007 | Issuance | Retirements | Accrued Interest/ Amortization | Payable December 31, 2007 |
|--|------------------|------------|-----------|-------------------------------|--------------|--------------|--------------------------------------|---------------------------------|
| Business-type Activities General Obligation Bonds | | | | | | | | |
| Series of 1998 | 3.45-4.25 | 11/15/1998 | 1/15/2013 | 3,424,524 | - | (445,000) | 19,246 | 2,998,770 |
| Series B of 2003 | 1.15-3.20 | 7/1/2003 | 7/1/2013 | 879,140 | - | - | - | 879,140 |
| Series A of 2007 | 3.65-4.30 | 11/17/2007 | 11/1/2024 | - | 5,599,678 | - | - | 5,599,678 |
| | | | | 4,303,664 | 5,599,678 | (445,000) | 19,246 | 9,477,588 |
| Other General Long Term Liabilities | | | | | | | | |
| PFA Series A of 2006 | 3.70-4.00 | 9/28/2006 | 10/1/2015 | 290,000 | - | - | - | 290,000 |
| Total Business-type Activities | | | | \$ 4,593,664 | \$ 5,599,678 | \$ (445,000) | \$ 19,246 | \$ 9,767,588 |

Bonds issuances that occurred in 2007 are shown in the Statement of Revenues, Expenditures, and Changes in Fund Balance as follows:

| | Series A of 2007 | Series B of 2007 | PFA Series of 2007* | Total |
|-----------------------------------|------------------|------------------|---------------------|---------------|
| Other Financing Sources (Uses): | | | | |
| Issuance of Capital Projects Debt | \$ 3,289,430 | \$ - | \$ - | 3,289,430 |
| Issuance of Refunding Debt | - | 59,200,000 | 455,000 | 59,655,000 |
| Original Issue Discount | (66,441) | (141,379) | - | (207,822) |
| Bond Issuance | \$ 3,222,989 | \$ 59,058,621 | \$ 455,000 | \$ 62,736,610 |

* The portion of Series A of 2007 Bonds that Friendship Ridge is expected to repay is reported as issuance of debt for business type activities. The face value of the bonds issued is \$5,710,570 offset by \$110,892 of original issue discount resulting in a net issuance of \$5,599,678.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007**

NOTE J - LONG-TERM LIABILITIES -- (Continued)

The following is a brief description of the outstanding debt issues of the County:

In May of 1986, the County issued \$16,270,000 of General Obligation Bonds, Series of 1986, for the purpose of funding capital projects. Of this total amount, \$7,670,000 borne interest at rates ranging from 4.75% to 7.5% and was paid over the period from 1986 until it was advance-refunded in 1993. The remaining part of this series, in the amount of \$8,600,000, was issued as zero coupon bonds, yielding a principal amount of \$1,980,674. This series is being retired in semi-annual payments of \$430,000, which started in 2001 and will continue through 2010. The discount rate on the zero coupon bonds was determined at the time of issue, ranging from 7.678% to 7.955%.

In 1997, the County issued \$61,060,000 of General Obligation Bonds, Series of 1997 (the 1997 Bonds), for the purpose of refunding the General Obligation Bonds, Series of 1996. These bonds mature in various lots from 1999 through 2026, payable annually. Interest is paid semi-annually at rates ranging from 4.0% to 5.3%. On November 1, 2007, the County issued \$59,200,000 in General Obligation Bonds, Series B of 2007, which were used to defease the remaining balance of the 1997 Bonds. The amount of debt refinanced and considered defeased as a result of this issuance was \$58,125,000, while \$933,619 was used to pay bond issuance costs. These bonds yield a variable interest rate, which is paid monthly and is determined by a third party with the purpose of aligning the bonds' interest rate to market conditions. As of December 31, 2007, the variable rate of this bond was 3.45%. Assuming that the variable interest rate remains constant for the life of the bond, this transaction will have resulted in decreased debt service payments of \$13,300,000 and a net economic gain of \$9,400,000. The maximum interest rate allowed under this variable rate bond agreement is 12.00%. Under the worst case scenario, this refunding bond issuance could result in increased debt service payments of \$48,800,000 and a net economic loss of \$28,200,000.

In November of 1998, the County issued \$6,250,000 of General Obligation Bonds, Refunding Series of 1998, for the purpose of refunding the General Obligation Bonds, Series of 1996, Geriatric Center (a series distinct from the Series of 1996 mentioned above). None of this defeased debt remains outstanding. These bonds mature annually in various lots through 2013. Interest is paid semi-annually at rates ranging from 3.45% to 4.25%. The advance refunding resulted in a reacquisition price that exceeded the net carrying amount of the defeased debt by \$247,446. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being expensed through maturity using the straight-line method.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007**

NOTE J - LONG-TERM LIABILITIES - (Continued)

During February of 2002, the County entered into a loan agreement with the Pennsylvania Finance Authority (the PFA), to borrow \$4,325,000 for the purpose of building a parking garage adjacent to the Courthouse. The County's payments under this loan agreement match the debt service requirements on the PFA's Guaranteed Revenue Bonds, Series B of 2002, of which the County is a guarantor. These bonds mature in annual lots starting in 2003 through 2022 and bear interest at ranges starting at 2.50% through 5.10%. Effective October 15, 2006, this loan agreement with the PFA has been amended for a total of \$3,980,000. This loan agreement pays the PFA's obligation under its Guaranteed Revenue Bonds, Series B of 2006 (the PFA 2006 Bonds), which is guaranteed by the County. This transaction resulted in the in-substance defeasance of the long-term debt issue undertaken with the PFA in 2002, creating an economic gain of \$387,886. Cash outflows to service the debt under the PFA 2006 Bonds are \$69,308, less than the remaining debt service payments under the 2002 loan. Interest on the new loan with the PFA is payable semiannually at a rate that varies according to the terms of the agreement between 3.45% and 4.00%. Principal is payable annually starting in 2007 and ending on September 1, 2022. This loan is depicted on the schedule of long-term debt activity above at December 31, 2007, at \$3,685,170. This amount is reported as a liability on the Statement of Net Assets, governmental activities, and the difference between its carrying amount and the outstanding face value, consists of unamortized original issue discount and deferred loss on refunding. Defeased principal still outstanding at December 31, 2007, under the PFA's Guaranteed Revenue Bonds, Series B of 2002, amounts to \$3,550,000.

During 2003, the County issued \$5,375,000, with a discount of \$10,737, in General Obligation Bonds, Refunding Notes, Series A of 2003, with interest rates ranging from 1.15% to 2.15% to, in part, advance refund \$5,020,000 of the outstanding General Obligation Bonds, Refunding Series A of 1993. Proceeds of \$5,132,414 were deposited in an escrow account to provide for the future debt service of the Refunding Series A of 1993, which was called as of October 2003. As a result of this advance refunding, the County increased its debt service by \$89,789. However the County did obtain an economic gain, which is the difference between the present values of the old and new debt service payments, of \$172,677.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007**

NOTE J - LONG-TERM LIABILITIES - (Continued)

During 2003, the County issued \$1,405,000 of General Obligation Bonds, Series B of 2003, with interest rates ranging from 1.15 % to 3.20%, to fund capital projects at Friendship Ridge. These bonds mature in annual lots from 2003 through 2013. Bonds maturing after October 1, 2008, can be redeemed at par plus accrued interest at the option of the County. These bonds were also issued at a minor discount which is being amortized on a straight-line basis.

The County entered into a loan agreement with the PFA on May 27, 2005, in the amount of \$3,240,000. The majority of these proceeds were granted to a local performing arts center for construction. The County's payments under this loan agreement equal the debt service requirements on the PFA's Federal Taxable Guaranteed Revenue Bonds, Series A of 2005, of which the County is a guarantor. The interest rates range from 3.75% through 5.60%. Mandatory bond sinking fund requirements for certain principal redemptions take effect starting in 2008. Effective October 1, 2015, and thereafter, the County has the right to extinguish any or all debt outstanding through this loan agreement with the PFA.

On July 28, 2005, the County issued \$3,125,000 in General Obligation Bonds, Series A of 2005, to finance various capital projects planned by the County. Interest is payable semi-annually at coupon rates varying between 2.50% and 4.25%. The bonds mature in installments starting in 2006 and ending in 2025. Principal payments range from \$300,000 to \$815,000. An optional redemption feature is included for bonds maturing on or after September 1, 2010. Mandatory bond sinking fund redemptions are required for certain maturities due on or after September 1, 2016.

On December 22, 2005, the County issued \$13,675,000 of Federally Taxable General Obligation Pension Bonds, Series of 2005, with the intent of reducing volatility in annual required contributions to the County's retirement system. The proceeds of these bonds, net of issuance costs and discounts, were contributed to the County retirement system's trust fund. Interest is payable semi-annually in a range of rates between 4.75% and 5.65%. Principal matures in installments starting in 2007 and throughout 2030. Principal payments range from \$320,000 to \$4,530,000. Mandatory bond sinking fund requirements take place for principal maturities after December 25, 2015.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007**

NOTE J - LONG-TERM LIABILITIES - (Continued)

During September 2006, the County entered into a loan agreement with the PFA for \$5,360,000. Net proceeds of this loan were used for a combination of current and advance refundings that resulted in an in-substance defeasance of the following portions of long-term debt previously recorded by the County:

| <u>Debt Issue</u> | <u>Amount Refunded</u> | <u>Recorded In</u> |
|-------------------|------------------------|--------------------------|
| 1997 Bonds | \$2,145,000 | Governmental Activities |
| Series A of 2003 | 1,100,000 | Governmental Activities |
| Series B of 2003 | 265,000 | Business-type Activities |

The refunding also satisfied payments of \$1,714,155 associated with the defeased debt. The County's payments under this loan agreement equal the debt service requirements on the PFA's County of Beaver Guaranteed Revenue Bonds, Series A of 2006 (the "PFA Series A of 2006"), as well as the PFA's Federally Taxable County of Beaver Guaranteed Revenue Bonds, Series B of 2006 (the "PFA Series B of 2006"), in addition to periodic charges in terms of bond administration fees. The County guarantees payments under both series issued by the PFA. The interest rates for this loan range from 3.70% to 5.40%. The transaction defeasing the maturities presented above resulted in increased debt service payments for the County of \$1,739,428 and an economic loss of \$284,531. As of December 31, 2007, no defeased debt remains outstanding.

The County entered into a loan agreement with the PFA on May 15, 2007, in the amount of \$455,000. All of the proceeds of this agreement were used to refinance debt originally issued by the Community College of Beaver County. The County's payments under this loan agreement equal the debt service requirements on the PFA's Federally Taxable Series of 2007. The interest rates range from 6.00% through 6.10%. Mandatory bond sinking fund payments, ranging from \$105,000 through \$125,000 take effect in 2008 and continue through bond maturity on December 1, 2011.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2007 and June 30, 2007

NOTE J - LONG-TERM LIABILITIES - (Continued)

During November 2007, the County issued \$9,000,000 in General Obligation Bonds, Series A of 2007, to fund various capital projects throughout the County. Of the total bond issue, the County is obligated to repay \$3,289,430 and Friendship Ridge will repay the remaining \$5,710,570. Interest is paid annually at coupon rates ranging from 3.65% to 4.30%. The bonds mature in installments beginning in 2014 and ending in 2024.

Except for pension bonds, refunding, and advance refunding debt issues, all bonds were issued with the purpose of funding construction and capital improvements.

Changes in the rate of interest payable on the various outstanding bonds are determined by the applicable bond indentures, except for the General Obligation Bonds, Series B of 2007, as noted above.

The following schedule presents the principal amount of each long-term debt issue due within one year of the date of these financial statements:

Governmental Activities:

| | | |
|----------------------|----|------------------|
| Construction Fund | \$ | 860,000 |
| Series A of 2003 | | 980,000 |
| Series A of 2005 | | - |
| Pension Bond of 2005 | | - |
| PFA Series A of 2005 | | 80,000 |
| PFA Series A of 2006 | | - |
| PFA Series B of 2006 | | - |
| GOB Series A of 2007 | | - |
| GOB Series B of 2007 | | 585,000 |
| PFA Series of 2007 | | 105,000 |
| PFA 2006 Bonds | | <u>195,000</u> |
| Total | \$ | <u>2,805,000</u> |

Business-type Activities:

| | | |
|----------------------|----|----------------|
| Series of 1998 | \$ | 465,000 |
| Series B of 2003 | | 140,000 |
| PFA Series A of 2006 | | - |
| GOB Series A of 2007 | | - |
| Total | | <u>605,000</u> |

| | | |
|--------------------------|----|------------------|
| Total Primary Government | \$ | <u>3,410,000</u> |
|--------------------------|----|------------------|

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS December 31, 2007 and June 30, 2007

NOTE J - LONG-TERM LIABILITIES - (Continued)

The aggregate amount of debt service requirements during the next five years and thereafter is as follows:

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Total</u> | |
|-----------------------------|--------------------------------|----------------------|---------------------------------|---------------------|-----------------------|----------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 2008 \$ | 2,805,000 | \$ 3,595,232 | \$ 605,000 | \$ 395,871 | \$ 3,410,000 | \$ 3,991,103 |
| 2009 | 3,736,824 | 3,552,425 | 628,173 | 379,941 | 4,364,997 | 3,932,366 |
| 2010 | 3,873,655 | 3,463,122 | 656,345 | 355,899 | 4,530,000 | 3,819,021 |
| 2011 | 4,018,655 | 3,346,334 | 681,345 | 330,449 | 4,700,000 | 3,676,783 |
| 2012 | 4,097,310 | 3,211,023 | 707,690 | 303,636 | 4,805,000 | 3,514,659 |
| 2013-2017 | 23,749,509 | 13,489,394 | 2,090,491 | 1,198,273 | 25,840,000 | 14,687,667 |
| 2018-2022 | 26,969,511 | 8,913,340 | 2,785,489 | 755,972 | 29,755,000 | 9,669,312 |
| 2023-2027 | 21,783,963 | 3,575,142 | 1,821,037 | 118,309 | 23,605,000 | 3,693,451 |
| 2028-2030 | <u>3,315,000</u> | <u>367,475</u> | <u>-</u> | <u>-</u> | <u>3,315,000</u> | <u>367,475</u> |
| | 94,349,427 | 43,513,487 | 9,975,570 | 3,838,350 | 104,324,997 | 47,351,837 |
| Unamortized | | | | | | |
| Interest | (324,119) | 324,119 | - | - | (324,119) | 324,119 |
| Deferred Loss/ Discounts | <u>(394,596)</u> | <u>394,596</u> | <u>(207,982)</u> | <u>207,982</u> | <u>(602,578)</u> | <u>602,578</u> |
| | <u>\$ 93,630,712</u> | <u>\$ 44,232,202</u> | <u>\$ 9,767,588</u> | <u>\$ 4,046,332</u> | <u>\$ 103,398,300</u> | <u>\$ 48,278,534</u> |

The assumed interest rate for the GOB Series B of 2007 variable rate bonds was 3.45% which is equal to the interest of the bonds at December 31, 2007.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007**

NOTE J - LONG-TERM LIABILITIES - (Continued)

The following summarizes other long-term obligation activity for the year ended December 31, 2007:

| | <u>Payable at January 1, 2007</u> | <u>Increase</u> | <u>Decrease</u> | <u>Payable at December 31, 2007</u> | <u>Due within one year</u> |
|---------------------------------|---|-------------------|---------------------|---|--------------------------------|
| <i>Governmental Activities</i> | | | | | |
| Capital Lease Obligations | \$ 8,004,767 | \$ 329,409 | \$ 211,789 | \$ 8,122,387 | \$ 257,166 |
| Compensated Absences | 454,563 | 23,502 | 8,869 | 469,196 | 25,000 |
| Early Termination Benefits | 433,814 | - | 171,341 | 262,473 | 191,359 |
| 2006 Swap Agreement | <u>11,654,416</u> | <u>-</u> | <u>425,090</u> | <u>11,229,326</u> | <u>1,158,664</u> |
| | 20,547,560 | 352,911 | 817,089 | 20,083,382 | 1,632,189 |
| <i>Business-type Activities</i> | | | | | |
| Capital Lease Obligations | 149,500 | - | 35,276 | 114,224 | 35,298 |
| Early Termination Benefits | <u>178,000</u> | <u>-</u> | <u>178,000</u> | <u>-</u> | <u>-</u> |
| | 327,500 | - | 213,276 | 114,224 | 35,298 |
| Total County-wide | <u>\$ 20,875,060</u> | <u>\$ 352,911</u> | <u>\$ 1,030,365</u> | <u>\$ 20,197,606</u> | <u>\$ 1,667,487</u> |

Typically, long-term liabilities reported by governmental activities, other than those arising from the issuance of bonds or other long-term debt agreements, are liquidated by the funds incurring such liabilities.

Capital Lease Obligations

The County has recorded the following assets in the government-wide Statement of Net Assets under capital lease obligations:

| | <u>Governmental Activities</u> | <u>Business-type Activities</u> |
|-----------|--------------------------------|---------------------------------|
| Land | \$ 392,984 | \$ - |
| Buildings | 8,306,820 | - |
| Equipment | 329,401 | 114,224 |

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007**

NOTE J - LONG-TERM LIABILITIES - (Continued)

Capital Lease Obligations - Continued

The County entered into a lease agreement with the PFA during 2002. The lease is for a building to consolidate office locations of the County's Human Services agencies. These agencies occupied this building beginning in 2003. Construction of this building was financed by the PFA's issue of \$7,865,000 of Guaranteed Lease Revenue Bonds, Series A of 2002. The County is the guarantor of this bond issue and the minimum lease payments over the lease term. The monthly payment under this lease amounts to \$43,812. The County shall have the right to acquire title to the property for no additional consideration at the earlier of the expiration of the lease or when the bond issue related to the financing of this building is no longer outstanding. This lease agreement was amended effective October 15, 2006, as a consequence of the refunding of the PFA's Guaranteed Lease Revenue Bonds, Series A of 2002. The amended lease payments cover the debt service of the PFA's \$7,995,000 issue of the Guaranteed Lease Revenue Bonds, Series A of 2006, which the County guarantees.

The outstanding balance of this capital lease obligation at December 31, 2007, is \$7,100,343, which is depicted on the schedule of minimum lease payments below. This amount is recorded as a liability in the Statement of Net Assets, governmental activities. The difference between the recorded amount and the face value of the issued debt consists of retired maturities on the lease and an amount treated as future interest costs when accounting for capital leases. The agreement also requires the County to pay for bond maintenance fees, real estate taxes, and other miscellaneous lease-related charges. Defeased principal still outstanding at December 31, 2007, under the PFA's Guaranteed Lease Revenue Bonds, Series A of 2002, amounts to \$7,190,000.

A second lease agreement was entered into in 2002 between the County and the City of Beaver Falls. The lease is for a building to house the Community Development Program of Beaver County and a parking lot. Remaining lease payments as of December 31, 2007, amount to approximately \$600,000 for a term ranging through September 2026. Payments under this lease are due quarterly at \$8,000 each. The building's title transfers to the County upon expiration of the lease at no additional cost.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007**

NOTE J - LONG-TERM LIABILITIES - (Continued)

Capital Lease Obligations - Continued

A land lease for the aforementioned buildings is in effect with the PFA. The lease calls for monthly payments through September 2026, amounting to a total of \$540,000 remaining as of December 31, 2007. Payments are due monthly at \$2,400 each. The County acquires title to the land upon expiration of the lease at no additional cost.

On May 15, 2005, the County entered into an agreement of lease and sublease with the PFA for a building known as the Conservation Building. The County received \$700,000 from the PFA as a prepayment of its lease obligation. The agreement further provides for the County to sublease the Conservation Building from the PFA. Minimum lease payments under the sublease as of December 31, 2007, amount to \$1,310,241 with semiannual installments ranging from \$2,006 to \$77,006. Any or all payments due on or after October 2015 may be prepaid at the option of the County. In addition, the County has leased this facility to another party. This transaction was recorded by the County as a disposal. Payments under this lease approximate the PFA's debt service requirements on its Federally Taxable Guaranteed Revenue Bonds, Series B of 2005. The County guarantees the payment of this bond issue.

Beginning in 2005, Friendship Ridge began leasing digital reproduction equipment for a five-year term. A bargain purchase option is available to the County at the end of the lease term. Minimum lease payments as of December 31, 2007, amount to \$129,559 with monthly installments of \$3,586.

The County entered into a capital lease agreement in 2007 for computer equipment used throughout the County's facilities. This lease began March 2007 and will continue through June 2011. A bargain purchase option is available to the County at the end of the lease term. Minimum lease payments as of December 31, 2007, amount to \$139,785 with quarterly installments of \$9,985.

The County entered into a second capital lease agreement in 2007 for computer servers to be used by the County's Information Technology department. This lease began March 2007 and will continue through June 2011. A bargain purchase option is available to the County at the end of the lease term. Minimum lease payments as of December 31, 2007, amount to \$180,532 with quarterly installments of \$12,895.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS December 31, 2007 and June 30, 2007

NOTE J - LONG-TERM LIABILITIES - (Continued)

Capital Lease Obligations - Continued

The following schedule summarizes future minimum lease payments due:

| | <u>Governmental Activities</u> | | | | <u>Business-type Activities</u> | |
|------------------------------------|--------------------------------|-------------|---------------------------------------|---------------------------|-------------------------------------|-------------------------------------|
| | <u>Human Services Building</u> | <u>Land</u> | <u>Community Development Building</u> | <u>Computer Equipment</u> | <u>Total Minimum Lease Payments</u> | <u>Total Minimum Lease Payments</u> |
| 2008 | \$ 521,040 | \$ 28,800 | \$ 32,000 | \$ 91,521 | \$ 673,361 | \$ 716,387 |
| 2009 | 521,040 | 28,800 | 32,000 | 91,521 | 673,361 | 716,387 |
| 2010 | 521,040 | 28,800 | 32,000 | 91,521 | 673,361 | 713,351 |
| 2011 | 521,040 | 28,800 | 32,000 | 45,760 | 627,600 | 631,117 |
| 2012 | 521,040 | 28,800 | 32,000 | - | 581,840 | 581,840 |
| 2013-2017 | 2,605,205 | 144,000 | 160,000 | - | 2,909,205 | 2,909,205 |
| 2018-2022 | 2,605,205 | 144,000 | 160,000 | - | 2,909,205 | 2,909,205 |
| 2023-2027 | 2,605,205 | 108,000 | 120,000 | - | 2,833,205 | 2,833,205 |
| 2027-2032 | 1,976,702 | - | - | - | 1,976,702 | 1,976,702 |
| | 12,397,517 | 540,000 | 600,000 | 320,323 | 13,857,840 | 13,987,399 |
| Less: Amount Representing Interest | (5,297,174) | (195,038) | (217,619) | (25,622) | (5,735,453) | (5,750,788) |
| Present Value | \$ 7,100,343 | \$ 344,962 | \$ 382,381 | \$ 294,701 | \$ 8,122,387 | \$ 8,236,611 |

The interest rates used to calculate the amount representing interest costs were obtained from the individual lease agreements. The blended interest rate used for Governmental Activities is 4.45% and for Business-type Activities is 7.94%.

Minimum lease payments due within one year are reported as follows in the government-wide Statement of Net Assets:

| | <u>Human Services Building</u> | <u>Land</u> | <u>Community Development Building</u> | <u>Computers</u> | <u>Business-type Activities</u> | <u>Total Minimum Lease Payments</u> |
|----------------|--------------------------------|-------------|---------------------------------------|------------------|---------------------------------|-------------------------------------|
| 2008 Payment | \$ 521,040 | \$ 28,800 | \$ 32,000 | \$ 91,521 | \$ 43,026 | \$ 716,387 |
| Less: Interest | (367,647) | (17,279) | (19,266) | (12,003) | (7,728) | (423,923) |
| Present Value | \$ 153,393 | \$ 11,521 | \$ 12,734 | \$ 79,518 | \$ 35,298 | \$ 292,464 |

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007**

NOTE J - LONG-TERM LIABILITIES - (Continued)

2006 Swap Agreement

During September 2006, the County entered into an agreement with a counterparty that terminated two previous derivative instruments and replaced them with an interest rate management plan that extends over the life of the 1997 Bonds. Under this agreement (the 2006 Swap Agreement), the County agreed to and has:

- Terminated the derivative agreements that were outstanding in 2006
- Refunded the total outstanding principal under the 1997 Bonds as of October 1, 2007 at a variable rate

The payment relationships defined by the 2006 Swap Agreement are as follows:

The County will pay a counterparty interest at a rate of 5.24% per annum on the outstanding 1997 Bonds until the original maturity of the 1997 Bonds, on a monthly basis.

The County will receive interest at a variable rate based on the Bond Market Association Municipal Swap Index (the BMA), from a counterparty on the outstanding 1997 Bonds until the original maturity of the 1997 Bonds, calculated annually and payable monthly, as further described in the 2006 Swap Agreement.

The County will pay a counterparty interest at a variable rate based on the BMA on the outstanding 1997 Bonds until the original maturity of the 1997 Bonds, calculated a yearly basis and payable monthly, as further described in the 2006 Swap Agreement.

The County will receive interest at a variable rate based on the U.S. Dollar International Swap Dealers Association (ISDA) Swap Rate. These payments are also based on the outstanding 1997 Bonds as further described in the 2006 Swap Agreement.

The County will receive interest at a variable rate based on the International Swaps and Derivatives Association, Inc. Swap Rate (the ISDA), from a counterparty on the outstanding 1997 Bonds until the original maturity of the 1997 Bonds, calculated on a yearly basis and paid monthly.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007**

NOTE J - LONG-TERM LIABILITIES - (Continued)

2006 Swap Agreement - Continued

The 2006 Swap Agreement is stated at fair value, calculated using the zero-coupon method. The amount of gain recognized for changes in fair value on the Statement of Activities for the 2006 Swap Agreement is recorded as investment income and it amounts to \$425,090. Certain events in the 2006 Swap Agreement are described as "events of default." These events trigger, according to the 2006 Swap Agreement, the termination of this agreement. The 2006 Swap Agreement also includes optional termination provisions for the County. In all cases, termination payments may be required by either party, as calculated by one of two methods described in the agreement. One of these methods involves a market quotation by a party dealing in securities, such as those included in the 2006 Swap Agreement.

The following schedule summarizes the components of the disclosures of the non-current liabilities on the government-wide Statement of Net Assets:

| | Governmental Activities | Business-type Activities |
|----------------------------------|------------------------------------|-------------------------------------|
| Due within one year: | | |
| Long-term debt | \$ 2,805,000 | \$ 605,000 |
| Obligations under capital leases | 257,166 | 35,298 |
| Compensated absences | 25,000 | - |
| Early termination benefits | 191,359 | - |
| 2006 Swap Agreement | <u>1,158,664</u> | <u>-</u> |
| Total | <u>\$ 4,437,189</u> | <u>\$ 640,298</u> |
| Due in more than one year: | | |
| Long-term debt | \$ 90,825,712 | \$ 9,162,588 |
| Obligations under capital leases | 7,865,221 | 78,926 |
| Compensated absences | 444,196 | - |
| Early termination benefits | 71,114 | - |
| 2006 Swap Agreement | <u>10,070,662</u> | <u>-</u> |
| Total | <u>\$ 109,276,905</u> | <u>\$ 9,241,514</u> |

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007**

NOTE J - LONG-TERM LIABILITIES - (Continued)

Liquidation of Long-Term Liabilities

All outstanding long-term liabilities related to governmental activities have historically been liquidated as follows:

- Long-term debt has been completely liquidated by the General Fund
- Capital lease obligations have been liquidated by the funds that realize the benefit of the financed asset.

The Human Services Building lease has been liquidated through MHMR, Children and Youth Services, Childcare Resource Management, and the Office on Aging.

The Community Development Building lease has been fully liquidated by the Community Development Fund.

All computer leases have been fully liquidated by the General Fund.

- Compensated absences have been liquidated by most funds of the County. The amount paid by each fund is based on benefits earned by the employees of that fund.
- Early termination benefits have been mostly liquidated by the General Fund.
- 2006 Swap Agreement has been liquidated by the General Fund.

All business-type long-term liabilities have been liquidated by Friendship Ridge.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007**

NOTE J - LONG-TERM LIABILITIES - (Continued)

Component Unit – CCBC

On July 28, 2003, the Community College of Beaver County borrowed \$310,000 from National City Bank in the form of a Term Loan Note in order to finance the purchase of a radar simulator. The terms of the note call for the monthly payment of principal and interest of \$5,605 for a period of five years at an interest rate of 3.25%. The note is scheduled to mature on July 28, 2008. The equipment purchased serves as collateral on the note.

On August 30, 2005, the CCBC signed a \$600,000 promissory note obligation with Parkvale Savings Bank for the upgrade of the computer information system. The terms of the note call for payment of principal and interest annually on October 1, beginning October 1, 2005, in the amount of \$129,727 for a period of five years at a rate of 4.05%.

In February of 1998, the Pennsylvania Finance Authority issued \$9,195,000 in Community College Revenue Bonds – Series of 1998. In connection with the issuance of the Bonds, the PFA entered into a Loan Agreement with the CCBC, whereby the Authority will loan the proceeds of the bonds to the College. The loan agreement requires the College to make loan repayments to the Authority in an amount sufficient to pay the debt service requirements of the Bonds. The obligation of the College under the loan agreement is evidenced by a signed general obligation promissory note dated as of February 1, 1998. The purpose of the bond issue was to refinance the Community College Revenue Bonds, Series A of 1994, to fund certain College expenditures, and pay for the costs of issuing the bonds. The PFA bonds were issued in denominations of \$5,000 with interest payable on June 1 and December 1 each year through maturity. Interest rates range between 3.60% and 4.875% with the bonds scheduled to mature December 1, 2019. The bonds provide early redemption options as detailed in the official statement of issue.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007**

NOTE J - LONG-TERM LIABILITIES - (Continued)

Component Unit - CCBC - Continued

In April of 2007, the Pennsylvania Finance Authority issued \$27,780,000 in College Revenue Bonds - Series of 2007 to finance new construction, additions and renovations on the campus of CCBC. In connection with the issuance of the Bonds, the PFA entered into a Loan Agreement with the CCBC, whereby the Authority will loan the proceeds of the bonds to the College. The loan agreement requires CCBC to make loan payments to the Authority in an amount sufficient to pay the debt service requirements of the Bonds. The obligation of the College under the loan agreement is evidenced by a signed general obligation promissory note dated April 15, 2007. The Authority bonds were issued in denominations of \$5,000 with interest payable on May 15 and November 15 each year through maturity. Interest rates range between 3.50% and 4.375% with the bonds scheduled to mature December 1, 2031. The bonds provide for early redemption options as detailed in the official statement of issue.

The College has also advance refunded the Series A of 1994 Community College Revenue Bonds. In doing so, the Pennsylvania Finance Authority entered into a irrevocable trust agreement with PNC Bank to purchase U.S. Government Securities in an amount sufficient to fully service the defeased 1994 Bond Issue debt as it matures or is called. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability for the College.

In connection with the refunding, the excess of the reacquisition price over the net carrying amount of refunded debt is recorded as a reduction to long-term debt on the balance sheet and amortized over the shorter of the term of the refunding issue of the refunded bonds. CCBC incurred a deferred refunding loss of \$569,680 which is being amortized over the life of the refunding issue using the straight-line method. During the year ended June 30, 2007, CCBC amortized \$26,092 of this loss which is shown as part of interest expense. The unamortized balance of \$323,978 at June 30, 2007, is deducted from the long-term portion of notes payable.

On March 2, 2007, the CCBC entered into a lease agreement with National City Commercial Capital Company in order to finance the purchase of technology equipment in the amount of \$442,520. The terms of the lease agreement call for four annual payments of \$119,097 commencing on March 8, 2007 through March 8, 2010, at an interest rate of approximately 5.15%. The equipment purchased serves as collateral on the lease.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007**

NOTE J - LONG-TERM LIABILITIES - (Continued)

Component Unit - CCBC - Continued

The CCBC currently leases office equipment for use in its publications department. The terms of the lease agreement dated August 1, 2006, call for monthly payments of \$11,744. Lease expense for the year ended June 30, 2007 was \$142,036. This lease is scheduled to terminate on July 31, 2011.

In June of 2004, the CCBC entered into a lease agreement with University Lease for computer equipment for a period of thirty-six months. The terms of the lease call for monthly payments of \$7,549. Lease expense for the years ended June 30, 2007 and 2006 was \$60,396 and \$90,594 respectively. This lease terminated effective February 28, 2007, and was replaced with the capital lease mentioned above.

NOTE K - CONTINGENCIES

The County participates in a number of federal and state assisted grant programs. These grants are generally subject to program compliance audits by the grantors. Such audits could result in expenditures being disallowed and funds being due back to the grantor agencies. The amount of expenditures that may be disallowed in the future, if any, cannot be determined at this time.

The County is party to claims and other legal proceedings. Such claims and other legal proceedings include, but are not limited to, employment, civil right, personal injury matters, and failure to develop a stormwater management plan. Management has provided for certain matters, where considered necessary, in the financial statements. For other claims, management is of the opinion that these matters will not have a material effect on the County's financial position.

Component Unit - BCTA

The BCTA's state and federally funded programs are subject to audit by various governmental agencies. The BCTA is potentially liable for any expenditures disallowed by the results of these audits. Management is not aware of any items of non-compliance which would result in the disallowance of program expenditures.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007**

NOTE K - CONTINGENCIES - (Continued)

Component Unit - CCBC

CCBC's state and federally funded programs are subject to audit by various governmental agencies. CCBC is potentially liable for any expenditure disallowed by the results of these audits. The Commonwealth of Pennsylvania's Office of Labor, Education and Community Services conducts annual audits of CCBC's Claim for Subsidy Reimbursement submitted annually to the Commonwealth. In January and March of 2007, CCBC received a draft of the results of the audit for the years ended June 30, 2004 and 2005, respectively. The results of these audits reflect a balance due and owing the Commonwealth of Pennsylvania totaling \$20,220 for the year ended June 30, 2004, and \$180,293 for the year ended June 30, 2005. Management is currently reviewing the audit findings and preparing a formal response. Management is not aware of any additional items of non-compliance which would result in the disallowance of program expenditures.

CCBC is potentially liable for any costs of program non-compliance, not covered by commercial insurance, incurred by its Police Technology Program as a result of a program audit conducted by the Commonwealth of Pennsylvania. CCBC recorded an initial estimated liability of \$150,000 during the 2003-2004 fiscal year to cover these potential costs. As of June 30, 2007, the balance of this estimated liability was \$143,822.

NOTE L - RISK MANAGEMENT

The County is exposed to various risks of loss including loss of property, torts, errors and omissions, use of County owned vehicles, workers' compensation incidents, employee health benefits and medical malpractice torts at Friendship Ridge. The County handles exposure to these risks in various ways.

Property/Casualty Exposures

The County is a member of Pennsylvania Counties Risk Pool (PCoRP) which provides insurance coverage for general liability, law enforcement liability, property loss, vehicle usage, and crime. During 2007, there have been no significant changes to PCoRP coverage and settled claims have not exceeded the provided coverage.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007**

NOTE L - RISK MANAGEMENT - (Continued)

Property/Casualty Exposures - Continued

PCoRP is a public entity risk pool exclusively for member counties of the County Commissioners Association of Pennsylvania. PCoRP was organized as a property/casualty self-insurer and it provides coverage through its self-insured retention fund of claims less than \$350,000. PCoRP purchases excess coverage for claims over that threshold up to a maximum limit of \$5,000,000 for liability, replacement value for property loss, and \$600,000 for crime. Members pay premiums to cover the costs of administration, excess insurance, and loss control services. The premium is adjusted annually to reflect both the costs of excess insurance and the most recent five-year experience with members.

The coverage provided by PCoRP excludes general liability and professional medical malpractice of Friendship Ridge and general liability related to the County Airport. The County has made other arrangements for those exposures.

Friendship Ridge Exposures

Beaver County has received permission from the Pennsylvania State Insurance Department and has chosen to fully self-fund all medical malpractice exposures. The County is required to create a formal self-funded program that is consistent with the requirements of Medical Care Availability and Reduction of Error (MCARE) regulations. The County is responsible for the first \$500,000 of any medical malpractice claims, with the next \$500,000 of protection afforded through the Pennsylvania Department of Insurance MCARE fund. The County has also chosen to fully self-fund all general liability claims.

Airport Exposures

Beaver County purchases an Airport Liability and a Hangerkeepers' Liability policy to limit exposures of the airport. Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.

HealthChoices Exposures

As part of the HealthChoices Behavioral Healthcare Program, the County is exposed to the risk that behavioral healthcare services provided to recipients will exceed the revenue provided by the state. During 2007, these revenues exceeded expenses. There is no assurance that these revenues will be sufficient to cover the cost of services in the future. As of December 31, 2007, the County has a cash reserve of \$4,190,040 that can be used to offset future claims expenses that are in excess of revenues.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007**

NOTE L - RISK MANAGEMENT - (Continued)

Workers' Compensation

The County purchased a commercial large-deductible insurance policy which began on January 1, 2007. The County is responsible for the first \$350,000 of any individual claim and the first \$3,000,000 in aggregate annual claims expenses. The limit of policy coverage is defined by Pennsylvania Statute and it includes limits of \$100,000 for employer's liability for any individual claim and \$500,000 aggregate for the annual policy. Prior to 2004, workers' compensation coverage was purchased from PCoRP.

Employee Health Benefits

The County has elected to self-fund the health and drug prescription employee benefits. Under the self-funded arrangement, the County's third party administrators pay all claims for medical, maintenance prescriptions, and emergency prescriptions. The County reimburses the administrators for these charges and pays an administrative fee based on membership and/or utilization. The County is responsible for the first \$125,000 of medical claims for any member each year. A stop loss insurance policy has been purchased to provide for payment above the yearly individual limit. The policy also includes \$1,000,000 of coverage if aggregate claims exceed the attachment point of \$17,571,857. During 2008, the County kept the attachment point for individual claims at \$125,000 and the attachment point for aggregate claims decreased to \$17,318,007.

Changes in the estimate of the self-insured claims liability are as follows:

| | <u>Beaver County</u> | <u>Friendship Ridge</u> |
|---------------------------------------|----------------------|-------------------------|
| Liability balance - January 1, 2006 | \$ 1,004,000 | \$ 927,174 |
| Incurred claims and estimates | 9,468,397 | 2,938,649 |
| Less: | | |
| Claims paid during period | <u>9,208,999</u> | <u>3,291,853</u> |
| Liability balance - December 31, 2006 | 1,263,398 | 573,970 |
| Incurred claims and estimates | 7,813,975 | 2,628,689 |
| Less: | | |
| Claims paid during period | <u>8,214,527</u> | <u>3,702,608</u> |
| Liability balance - December 31, 2007 | <u>\$ 862,846</u> | <u>\$ 499,949</u> |

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2007 and June 30, 2007

NOTE L - RISK MANAGEMENT – (Continued)

Risk Accounting

The County has created two internal service funds within which transactions related to the self-funded workers' compensation program and the self-funded health insurance programs are recorded. Revenues to cover expenditures for each program are generated by an internal charge, based on either payroll by class or membership, applied to all operating funds, excluding Friendship Ridge. Friendship Ridge operates its risk programs as separate lines within its operating budget.

During 2007, the internal service fund for medical had expenditures in excess of revenues of \$181,169 while the workers' compensation fund had revenues in excess of expenditures of \$95,231.

Component Unit – BCTA

The BCTA is exposed to various risks of loss related to tort, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.

Component Unit – CCBC

CCBC is exposed to various risks of loss related to tort, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.

NOTE M – CHANGE IN BEGINNING NET ASSETS

The beginning net assets balance for Friendship Ridge was adjusted to correct recorded receivables related to third party settlements amounting to \$590,000.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2007 and June 30, 2007**

NOTE N - COMMITMENTS

At December 31, 2007, the County had three open letters of credit with a value totaling \$2,000,000, to cover excess costs of workers' compensation claims if needed. Interest rates on these letters range from 3.68% to 5.78%. At December 31, 2007, none of the letters had been drawn.

Beaver County has open commitments for normal operations and construction projects of approximately \$1,300,000 as of December 31, 2007. Of this amount, approximately \$1,100,000 is for the Liquid Fuels bridge projects.

The County, as the local sponsor of the Community College of Beaver County, is obligated to provide funding for one half of the College's annual capital expenditures, including debt service payments of capital bonds. During 2007, the College issued \$27,780,000 of capital bonds. The County will increase its annual contribution to CCBC over the life of this bond to subsidize CCBC's debt service obligation.

NOTE O - SUBSEQUENT EVENTS

The County issued a Tax and Revenue Anticipation Note (TRAN) on January 2, 2008, in advance of property tax collections, depositing the \$8,000,000 proceeds into the General Fund, of which \$2,500,000 was transferred to Friendship Ridge. The County repaid its portion, which equaled \$5,500,000, by May 8, 2008. As of April 2008, Friendship Ridge's share was still outstanding.

REQUIRED SUPPLEMENTAL INFORMATION

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County of Beaver, Pennsylvania

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
PENSION TRUST FUND
December 31, 2007**

| <u>Year Ended</u> | <u>Annual Required Contribution</u> | <u>Percentage of Annual Required Contribution Recognized in Plan Assets for that Year</u> |
|-----------------------|---|---|
| December 31, 2007 | \$ 2,113,111 | 100% |
| December 31, 2006 | \$ 2,020,537 | 100% |
| December 31, 2005 | \$ 3,737,244 | 409% |
| December 31, 2004 | \$ 3,652,159 | 100% |
| December 31, 2003 | \$ 3,325,708 | 100% |
| December 31, 2002 | \$ 1,468,601 | 100% |

The information presented above was determined as part of the actuarial valuations performed on January 1 of each of the years ended as indicated above. The additional information is for all years presented unless otherwise indicated.

| | |
|----------------------------|--|
| Actuarial cost method: | Aggregate actuarial |
| Asset valuation method: | Five-year smoothed market |
| Actuarial assumptions: | |
| Inflation adjustment: | 3% |
| Investment rate of return: | 7.5% for 2001 - 2007 |
| Projected salary increase: | 3.00% for 2002, 3.25% for 2003, 3.50% for 2004; 3.75% for 2005; 4.00% for 2006; 4.25-4.5% for 2007 |
| Cost-of-living adjustment: | 100% of CPI effective as of January 1, 2000 |

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended December 31, 2007

| | Budgeted Amount | | Actual | Variance |
|--|-------------------|-------------------|---------------------|---------------------|
| | Original | Final | | Over (Under) |
| REVENUES | | | | |
| Real Estate Taxes | \$ 38,456,803 | \$ 38,459,203 | \$ 38,494,475 | \$ 35,272 |
| Licenses and Permits | 69,500 | 69,500 | 97,652 | 28,152 |
| Interest and Rents | 410,525 | 423,420 | 795,371 | 371,951 |
| Intergovernmental Revenues | 4,346,235 | 4,676,573 | 4,170,261 | (506,312) |
| Departmental Earnings | 6,943,873 | 7,072,373 | 7,655,003 | 582,630 |
| Miscellaneous | <u>1,162,200</u> | <u>1,177,900</u> | <u>1,202,702</u> | <u>24,802</u> |
| TOTAL REVENUES | <u>51,389,136</u> | <u>51,878,969</u> | <u>52,415,464</u> | <u>536,495</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General Government | 7,629,883 | 10,333,552 | 9,446,659 | (886,893) |
| Judicial | 10,767,195 | 10,511,430 | 9,853,048 | (658,382) |
| Public Safety | 13,084,957 | 13,776,939 | 10,210,106 | (3,566,833) |
| Public Works and Enterprises | 3,303,422 | 3,355,158 | 3,143,087 | (212,071) |
| Culture, Recreation and Conservation | 2,372,286 | 2,882,111 | 2,703,871 | (178,240) |
| Intergovernmental | | | | |
| Human Services | 7,744,773 | 8,480,294 | 8,520,999 | 40,705 |
| Debt Service | | | | |
| Principal | 2,980,000 | 2,712,292 | 2,659,767 | (52,525) |
| Interest | 4,209,620 | 4,446,752 | 5,237,624 | 790,872 |
| Refunding Bond Issue Costs | - | - | 933,619 | 933,619 |
| Capital Outlay | | | | |
| Fixed Asset Acquisition and Improvements | 547,000 | 112,211 | 473,738 | 361,527 |
| Infrastructure | <u>-</u> | <u>11,375</u> | <u>14,875</u> | <u>3,500</u> |
| TOTAL EXPENDITURES | <u>52,639,136</u> | <u>56,622,114</u> | <u>53,197,393</u> | <u>(3,424,721)</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (1,250,000) | (4,743,145) | (781,929) | 3,961,216 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Issuance of Debt | - | - | 59,655,000 | 59,655,000 |
| Proceeds from Disposal of Capital Asset | - | - | - | - |
| Original Issue Discount | - | - | (141,381) | (141,381) |
| Capital Lease Agreements | - | - | 329,409 | 329,409 |
| Payment to Refunded Debt Escrow Agent | - | - | (58,125,000) | (58,125,000) |
| Transfers From Other Funds | - | - | 1,200,000 | 1,200,000 |
| Transfers To Other Funds | <u>-</u> | <u>-</u> | <u>(615,614)</u> | <u>(615,614)</u> |
| TOTAL OTHER FINANCING SOURCES | <u>-</u> | <u>-</u> | <u>2,302,414</u> | <u>2,302,414</u> |
| NET CHANGE IN FUND BALANCE | (1,250,000) | (4,743,145) | 1,520,485 | 6,263,630 |
| Fund Balance - Beginning | <u>1,250,000</u> | <u>4,773,874</u> | <u>(142,447)</u> | <u>(4,916,321)</u> |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ 30,729</u> | <u>\$ 1,378,038</u> | <u>\$ 1,347,309</u> |

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
MENTAL HEALTH / MENTAL RETARDATION
For the Year Ended December 31, 2007**

| | <u>Budget</u> | | <u>Actual</u> | <u>Variance</u> |
|--|---------------------|---------------------|---------------------|-------------------------|
| | <u>Original</u> | <u>Final</u> | | <u>Over (Under)</u> |
| Revenues | | | | |
| Intergovernmental | \$ 33,656,000 | \$ 33,669,000 | \$ 33,538,959 | \$ (130,041) |
| Departmental Earnings | 1,051,000 | 1,051,000 | 1,009,275 | (41,725) |
| Interest | 190,000 | 190,000 | 328,975 | 138,975 |
| Miscellaneous | 15,000 | 15,000 | 228,480 | 213,480 |
| Total Revenues | <u>34,912,000</u> | <u>34,925,000</u> | <u>35,105,689</u> | <u>180,689</u> |
| Expenditures | | | | |
| Salaries & Benefits | 4,168,792 | 4,074,305 | 3,864,660 | (209,645) |
| Personnel Expense | 28,350 | 30,110 | 22,983 | (7,127) |
| Consultant/Contracted Svcs. | 191,500 | 1,523,320 | 1,445,186 | (78,134) |
| Sub Contracted Services | 28,146,000 | 28,898,701 | 28,686,352 | (212,349) |
| Occupancy | 269,780 | 262,634 | 200,524 | (62,110) |
| Communication | 123,000 | 135,868 | 86,776 | (49,092) |
| Supplies & Minor Equip. | 94,500 | 193,970 | 115,094 | (78,876) |
| Transportation | 110,000 | 123,389 | 113,853 | (9,536) |
| Other Expenditures | 292,000 | 357,101 | 279,542 | (77,559) |
| Capital Outlay | 145,000 | 324,000 | 259,763 | (64,237) |
| Total Expenditures | <u>33,568,922</u> | <u>35,923,398</u> | <u>35,074,732</u> | <u>(848,666)</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 1,343,078 | (998,398) | 30,958 | 1,029,356 |
| Fund Balance - Beginning | <u>2,912,000</u> | <u>5,087,352</u> | <u>1,017,534</u> | <u>(4,069,818)</u> |
| Fund Balance - Ending | <u>\$ 4,255,078</u> | <u>\$ 4,088,954</u> | <u>\$ 1,048,492</u> | <u>\$ (3,040,462)</u> |

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
CHILDREN AND YOUTH
For the Year Ended December 31, 2007**

| | Budget | | | Variance Over (Under) |
|--|-------------------|--------------------|-------------------|--------------------------------------|
| | Original | Final | Actual | |
| Revenues | | | | |
| Intergovernmental | \$ 13,973,297 | \$ 14,023,178 | \$ 14,155,601 | \$ 132,423 |
| Departmental Earnings | 210,000 | 210,000 | 157,924 | (52,076) |
| Interest | 85,000 | 85,000 | 107,142 | 22,142 |
| Total Revenues | <u>14,268,297</u> | <u>14,318,178</u> | <u>14,420,667</u> | <u>102,489</u> |
| Expenditures | | | | |
| Salaries & Benefits | 4,178,070 | 4,157,154 | 3,862,715 | (294,439) |
| Personnel Expense | 55,665 | 49,122 | 33,019 | (16,103) |
| Consultant/Contracted Svcs. | 894,000 | 892,430 | 618,313 | (274,117) |
| Sub Contracted Services | 5,910,000 | 4,036,436 | 3,959,295 | (77,141) |
| Occupancy | 307,500 | 283,542 | 197,340 | (86,202) |
| Communication | 198,000 | 210,954 | 124,055 | (86,899) |
| Supplies & Minor Equip. | 491,500 | 543,647 | 368,310 | (175,337) |
| Transportation | 130,000 | 130,000 | 114,566 | (15,434) |
| Other Expenditures | 3,684,000 | 5,559,174 | 5,456,284 | (102,890) |
| Contra Revenue Account | 3,000 | 56,436 | 56,435 | (1) |
| Capital Outlay | 171,963 | 169,888 | 108,565 | (61,323) |
| Total Expenditures | <u>16,023,698</u> | <u>16,088,783</u> | <u>14,898,898</u> | <u>(1,189,885)</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,755,401) | (1,770,605) | (478,231) | 1,292,374 |
| Fund Balance - Beginning | <u>1,755,401</u> | <u>1,755,401</u> | <u>680,565</u> | <u>(1,074,836)</u> |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ (15,204)</u> | <u>\$ 202,334</u> | <u>\$ 217,538</u> |

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT**

For the Year Ended December 31, 2007

| | <u>Budget</u> | | <u>2007</u> | <u>Variance</u> |
|---|-------------------|-------------------|---------------------|---------------------|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | <u>Over</u> |
| | | | | <u>(Under)</u> |
| Revenues | | | | |
| Intergovernmental | \$ 7,006,694 | \$ 7,597,198 | \$ 8,979,383 | \$ 1,382,185 |
| Departmental Earnings | 610,000 | 610,000 | 476,730 | (133,270) |
| Interest | 121,400 | 123,755 | 280,347 | 156,592 |
| Total Revenues | <u>7,738,094</u> | <u>8,330,953</u> | <u>9,736,461</u> | <u>1,405,508</u> |
| Expenditures | | | | |
| Salaries & Benefits | 451,826 | 485,324 | 430,635 | (54,689) |
| Personnel Expense | 16,362 | 28,602 | 21,518 | (7,084) |
| Consultant/Contracted Svcs. | 11,326,284 | 11,944,021 | 8,284,406 | (3,659,615) |
| Occupancy | 83,740 | 107,499 | 66,407 | (41,092) |
| Communication | 38,650 | 47,650 | 23,134 | (24,516) |
| Supplies & Minor Equip. | 37,000 | 44,867 | 14,733 | (30,134) |
| Transportation | 11,400 | 15,717 | 13,954 | (1,763) |
| Debt Payments | 704,784 | 704,784 | 704,784 | - |
| Other Expenditures | 149,500 | 70,100 | 62,289 | (7,811) |
| Contra Revenue Account | - | 2,430 | 2,429 | (1) |
| Capital Outlay | 75,250 | 21,445 | 15,444 | (6,001) |
| Total Expenditures | <u>12,894,796</u> | <u>13,472,439</u> | <u>9,639,732</u> | <u>(3,832,707)</u> |
| Excess (Deficiency) of Revenue Over (Under) Expenditures | (5,156,702) | (5,141,486) | 96,729 | 5,238,215 |
| Fund Balance | <u>5,156,702</u> | <u>5,156,702</u> | <u>1,083,946</u> | <u>(4,072,756)</u> |
| Fund Balance | <u>\$ -</u> | <u>\$ 15,216</u> | <u>\$ 1,180,675</u> | <u>\$ 1,165,459</u> |

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

2007 CAPITAL PROJECTS FUND

For the Year Ended December 31, 2007

| | <u>Budget</u> | | <u>2007</u> | <u>Variance</u> |
|---|-----------------|---------------------|---------------------|------------------|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | <u>Over</u> |
| | | | | <u>(Under)</u> |
| Revenues | | | | |
| Interest | \$ - | \$ - | \$ 1,348 | \$ 1,348 |
| Total Revenues | <u>-</u> | <u>-</u> | <u>1,348</u> | <u>1,348</u> |
| Expenditures | | | | |
| Fixed Assets | - | 303,636 | 303,634 | (2) |
| Bond Issuance Costs | - | - | 54,853 | 54,853 |
| Total Expenditures | <u>-</u> | <u>303,636</u> | <u>358,487</u> | <u>(2)</u> |
| Excess (Deficiency) of Revenue Over (Under) Expenditures | - | (303,636) | (357,139) | 1,350 |
| Other Financing Sources (Uses) | | | | |
| Proceeds of Long-Term Capital Debt | - | - | 3,289,430 | 3,289,430 |
| Original Issue Discount | - | - | (66,441) | (66,441) |
| Total Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>3,222,989</u> | <u>3,289,430</u> |
| Fund Balance - January 1, 2007 | - | 3,170,000 | - | (3,170,000) |
| Fund Balance - December 31, 2007 | <u>\$ -</u> | <u>\$ 2,866,364</u> | <u>\$ 2,865,850</u> | <u>\$ (514)</u> |

County of Beaver, Pennsylvania

**NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
December 31, 2007**

NOTE A - BASIS OF BUDGETING

Appropriated budgets are adopted on a modified accrual basis consistent with generally accepted accounting principles by fund, department and line-item. Line-items are specific revenues and expenditures, such as taxes, fees, salaries, and supplies. Transfers of appropriations may be requested between line-items within a department or between departments within the same fund. All transfers of appropriations require the approval of the Commissioners. The legal level of control is exercised by management at each line-item.

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OTHER SUPPLEMENTAL INFORMATION

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County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2007**

| | Budget | | 2007 | Variance |
|--------------------------------|-----------------|----------------|----------------|-------------------------|
| | Original | Final | Actual | Over (Under) |
| GENERAL GOVERNMENT | | | | |
| Commissioners | | | | |
| Salaries & Benefits | \$ 535,039 | \$ 589,622 | \$ 559,035 | \$ (30,587) |
| Personnel Expense | 500 | 750 | 686 | (64) |
| Occupancy | 438 | 444 | 443 | (1) |
| Communication | 3,750 | 8,078 | 7,782 | (296) |
| Supplies & Minor Equipment | 2,340 | 19,530 | 16,235 | (3,295) |
| Transportation | 9,500 | 9,352 | 9,352 | - |
| Consultant/Contracted Services | - | 11,000 | 10,000 | (1,000) |
| Other Expenses | 2,600 | 5,960 | 6,643 | 683 |
| Total Expenditures | <u>554,167</u> | <u>644,736</u> | <u>610,176</u> | <u>(34,560)</u> |
| Controller | | | | |
| Salaries & Benefits | 806,641 | 781,487 | 754,346 | (27,141) |
| Personnel Expense | 3,400 | 5,363 | 5,262 | (101) |
| Occupancy | 2,842 | 2,883 | 2,882 | (1) |
| Communication | 3,300 | 2,657 | 1,713 | (944) |
| Supplies & Minor Equipment | 8,600 | 11,542 | 11,359 | (183) |
| Transportation | 6,500 | 2,538 | 1,941 | (597) |
| Other Expenses | - | - | - | - |
| Total Expenditures | <u>831,283</u> | <u>806,470</u> | <u>777,502</u> | <u>(28,968)</u> |
| Treasurer | | | | |
| Salaries & Benefits | 509,712 | 512,315 | 488,114 | (24,201) |
| Personnel Expense | 800 | 800 | 800 | - |
| Occupancy | 4,154 | 4,213 | 4,212 | (1) |
| Communication | 41,850 | 26,350 | 25,214 | (1,136) |
| Supplies & Minor Equipment | 26,400 | 39,805 | 37,085 | (2,720) |
| Transportation | 3,500 | 3,500 | 1,620 | (1,880) |
| Other Expenses | 10,000 | 12,260 | 12,228 | (32) |
| Tax Refunds | 211,138 | 227,077 | 221,127 | (5,950) |
| Total Expenditures | <u>807,554</u> | <u>826,320</u> | <u>790,400</u> | <u>(35,920)</u> |

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2007**

| | Budget | | 2007 | Variance |
|----------------------------|-----------------|----------------|----------------|-------------------------|
| | Original | Final | Actual | Over (Under) |
| Recorder Of Deeds | | | | |
| Salaries & Benefits | \$ 486,075 | \$ 473,176 | \$ 453,961 | \$ (19,215) |
| Personnel Expense | 1,500 | 1,500 | 1,357 | (143) |
| Occupancy | 3,498 | 3,548 | 3,547 | (1) |
| Communication | 2,600 | 2,600 | 1,673 | (927) |
| Supplies & Minor Equipment | 21,900 | 27,415 | 24,700 | (2,715) |
| Transportation | 4,000 | 3,500 | 1,077 | (2,423) |
| Contracted Services | 30,000 | 27,369 | 27,369 | - |
| Other Expenses | 100 | 100 | 100 | - |
| Total Expenditures | 549,673 | 539,208 | 513,785 | (25,423) |
| Solicitor | | | | |
| Salaries & Benefits | 206,557 | 240,675 | 225,998 | (14,677) |
| Personnel Expense | 2,500 | 3,025 | 3,003 | (22) |
| Occupancy | 219 | 222 | 222 | - |
| Communication | 490 | 590 | 495 | (95) |
| Supplies & Minor Equipment | 3,000 | 2,375 | 1,936 | (439) |
| Transportation | 3,500 | 3,500 | 2,184 | (1,316) |
| Other Expenses | 100 | 100 | - | (100) |
| Total Expenditures | 216,366 | 250,487 | 233,837 | (16,650) |
| Employee Relations | | | | |
| Salaries & Benefits | 265,410 | 225,117 | 216,225 | (8,892) |
| Personnel Expense | 68,300 | 48,783 | 47,830 | (953) |
| Occupancy | 438 | 479 | 479 | - |
| Communication | 2,200 | 3,698 | 3,203 | (495) |
| Supplies & Minor Equipment | 2,300 | 3,204 | 3,203 | (1) |
| Transportation | 700 | 104 | 103 | (1) |
| Consultant/Contracted | 146,000 | 220,707 | 215,460 | (5,247) |
| Total Expenditures | 485,348 | 502,092 | 486,503 | (15,589) |

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2007**

| | Budget | | 2007 | Variance |
|------------------------------------|-----------------|----------------|----------------|-------------------------|
| | Original | Final | Actual | Over (Under) |
| Microfilm | | | | |
| Salaries & Benefits | \$ 280,007 | \$ 264,921 | \$ 249,670 | \$ (15,251) |
| Occupancy | 2,100 | 2,100 | 2,000 | (100) |
| Communication | 40 | 40 | 9 | (31) |
| Supplies & Minor Equipment | 47,200 | 41,400 | 40,764 | (636) |
| Transportation | 150 | 150 | - | (150) |
| Consultant/Contracted Services | 5,500 | 8,000 | 7,977 | (23) |
| Other Expenses | - | - | - | - |
| Total Expenditures | 334,997 | 316,611 | 300,420 | (16,191) |
| Information Technology | | | | |
| Salaries & Benefits | 673,849 | 601,692 | 157,983 | (443,709) |
| Personnel Expense | 10,000 | 8,202 | 4,415 | (3,787) |
| Occupancy | - | - | - | - |
| Communication | 52,200 | 46,147 | 44,426 | (1,721) |
| Supplies & Minor Equipment | 156,000 | 73,722 | 62,788 | (10,934) |
| Transportation | 6,000 | 6,000 | 3,551 | (2,449) |
| Consultant/Contracted Services | 65,000 | 22,660 | 22,660 | - |
| Other Expenses | - | 1500 | 825.00 | (675) |
| Total Expenditures | 963,049 | 759,923 | 296,648 | (463,275) |
| Central Services Department | | | | |
| Salaries & Benefits | 154,898 | 136,931 | 134,541 | (2,390) |
| Personnel Expense | 475 | 225 | 215 | (10) |
| Occupancy | 110 | 111 | 111 | - |
| Communication | 25,320 | 23,350 | 23,295 | (55) |
| Supplies & Minor Equipment | 16,150 | 16,641 | 16,292 | (349) |
| Transportation | 50 | - | - | - |
| Consultant/Contracted Services | - | - | - | - |
| Other Expenses | 200 | 260 | 254 | (6) |
| Total Expenditures | 197,203 | 177,518 | 174,708 | (2,810) |
| Planning Commission | | | | |
| Salaries & Benefits | 365,582 | 359,724 | 346,360 | (13,364) |
| Personnel Expense | 1,400 | 1,400 | 638 | (762) |
| Occupancy | 1,093 | 1,109 | 1,109 | (1) |
| Communication | 5,650 | 5,350 | 3,500 | (1,850) |
| Supplies & Minor Equipment | 7,050 | 7,350 | 6,432 | (918) |
| Transportation | 7,000 | 7,000 | 5,234 | (1,766) |
| Contracted Services | 178,433 | 61,793 | 61,393 | (400) |
| Other Expenses | 2,150 | 2,150 | 1,905 | (245) |
| Total Expenditures | 568,358 | 445,876 | 426,571 | (19,305) |

EXHIBIT B (PAGE 3 OF 19)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND**

Year Ended December 31, 2007

| | Budget | | 2007 | Variance |
|--------------------------------|------------------|------------------|------------------|-------------------------|
| | Original | Final | Actual | Over (Under) |
| Weights And Measures | | | | |
| Salaries & Benefits | \$ 45,285 | \$ 40,896 | \$ 39,498 | \$ (1,398) |
| Communication | 50 | 50 | - | (50) |
| Supplies & Minor Equipment | 400 | 400 | 308 | (92) |
| Transportation | 7,500 | 7,500 | 7,375 | (125) |
| Total Expenditures | 53,235 | 48,846 | 47,181 | (1,665) |
| Veterans Affairs | | | | |
| Salaries & Benefits | 184,960 | 179,503 | 172,314 | (7,189) |
| Personnel Expense | 850 | 700 | 655 | (45) |
| Communication | 3,950 | 3,882 | 3,716 | (166) |
| Supplies & Minor Equipment | 2,400 | 3,348 | 3,311 | (37) |
| Transportation | 2,000 | 2,000 | 953 | (1,047) |
| Other Expenses | 116,000 | 116,881 | 116,019 | (862) |
| Total Expenditures | 310,160 | 306,314 | 296,967 | (9,347) |
| Election Bureau | | | | |
| Salaries & Benefits | 317,691 | 295,651 | 273,528 | (22,123) |
| Personnel Expense | 300 | 800 | 744 | (56) |
| Occupancy | 22,110 | 22,111 | 20,526 | (1,585) |
| Communication | 35,750 | 35,750 | 33,468 | (2,282) |
| Supplies & Minor Equipment | 61,000 | 62,000 | 61,084 | (916) |
| Transportation | 2,000 | 1,500 | 1,002 | (498) |
| Consultant/Contracted Services | 13,000 | 2,371 | 2,371 | - |
| Other Expenses | 186,500 | 191,500 | 175,550 | (15,950) |
| Total Expenditures | 638,351 | 611,683 | 568,272 | (43,411) |
| Assessment/Tax Claim | | | | |
| Salaries & Benefits | 1,036,542 | 1,001,742 | 946,703 | (55,039) |
| Personnel Expense | 11,500 | 14,500 | 9,775 | (4,725) |
| Occupancy | 2,842 | 2,883 | 2,882 | (1) |
| Communication | 200,500 | 209,000 | 208,020 | (980) |
| Supplies & Minor Equipment | 36,500 | 31,000 | 23,708 | (7,292) |
| Transportation | 22,000 | 32,000 | 30,753 | (1,247) |
| Consultant/Contracted Services | 30,000 | 25,429 | 25,429 | - |
| Other Expenses | 84,000 | 68,940 | 66,679 | (2,261) |
| Total Expenditures | 1,423,884 | 1,385,494 | 1,313,950 | (71,544) |

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2007**

| | Budget | | 2007 | Variance |
|--|---------------------|----------------------|---------------------|-------------------------|
| | Original | Final | Actual | Over (Under) |
| Public Defender | | | | |
| Salaries & Benefits | \$ 861,884 | \$ 897,014 | \$ 824,502 | \$ (72,512) |
| Personnel Expense | 4,600 | 4,600 | 4,570 | (30) |
| Occupancy | 875 | 958 | 957 | (1) |
| Communication | 700 | 700 | 414 | (286) |
| Supplies & Minor Equipment | 7,600 | 11,550 | 9,870 | (1,680) |
| Transportation | 12,500 | 6,254 | 6,254 | - |
| Other Expenses | 58,000 | 42,763 | 42,228 | (535) |
| Total Expenditures | 946,159 | 963,839 | 888,797 | (75,042) |
| General Government/ Internal Administration | | | | |
| Anticipated Expense Reduction | (3,099,398) | (2) | - | 2 |
| Contra Revenue Accounts | - | 187,500 | 187,500 | - |
| Personnel Expense | 72,000 | 74,230 | 69,883 | (4,347) |
| Occupancy | 3,300 | 3,300 | 2,259 | (1,041) |
| Consultant/Contracted Services | 553,000 | 375,896 | 371,836 | (4,060) |
| Other Expenses | 51,300 | 17,504 | 16,201 | (1,303) |
| Total Expenditures | (2,419,798) | 658,428 | 647,679 | (10,749) |
| Miscellaneous | | | | |
| Insurance | 1,028,144 | 811,435 | 800,632 | (10,803) |
| Bank charges | 81,750 | 200,382 | 198,161 | (2,221) |
| Indirect cost study | 10,000 | 10,000 | 10,000 | - |
| Other expenses | 50,000 | 67,890 | 64,472 | (3,418) |
| Total Expenditures | 1,169,894 | 1,089,707 | 1,073,265 | (16,442) |
| Total General Government | \$ 7,629,883 | \$ 10,333,552 | \$ 9,446,659 | \$ (886,891) |

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2007**

| | Budget | | 2007 | Variance |
|----------------------------|-----------------|--------------|---------------|-------------------------|
| | Original | Final | Actual | Over (Under) |
| JUDICIAL | | | | |
| Clerk Of Courts | | | | |
| Salaries & Benefits | \$ 588,475 | \$ 570,212 | \$ 547,322 | \$ (22,890) |
| Personnel Expense | 19,000 | 11,361 | 10,996 | (365) |
| Occupancy | 3,717 | 3,769 | 3,769 | - |
| Communication | 16,300 | 16,339 | 15,008 | (1,331) |
| Supplies & Minor Equipment | 13,500 | 13,500 | 10,055 | (3,445) |
| Transportation | 4,500 | 4,294 | 2,446 | (1,848) |
| Consultant/Contracted | 10,540 | 9,040 | 5,743 | (3,297) |
| Other Expenses | 500 | 706 | 551 | (156) |
| Total Expenditures | 656,532 | 629,221 | 595,890 | (33,331) |
| Coroner | | | | |
| Salaries & Benefits | 152,475 | 160,014 | 152,170 | (7,844) |
| Personnel Expense | 900 | 900 | 782 | (118) |
| Occupancy | 219 | 222 | 222 | - |
| Communication | 1,600 | 1,600 | 686 | (914) |
| Supplies & Minor Equipment | 7,000 | 2,829 | 2,636 | (193) |
| Transportation | 2,000 | 8,500 | 4,663 | (3,837) |
| Other Expenses | 139,000 | 145,507 | 143,071 | (2,436) |
| Total Expenditures | 303,194 | 319,572 | 304,231 | (15,341) |
| Jury Commission | | | | |
| Salaries & Benefits | 95,045 | 90,595 | 87,293 | (3,302) |
| Communication | 10,600 | 10,600 | 9,147 | (1,453) |
| Supplies & Minor Equipment | 5,000 | 4,276 | 4,096 | (180) |
| Transportation | 1,300 | 900 | 600 | (300) |
| Consultant/Contracted | 4,500 | 5,624 | 5,624 | - |
| Total Expenditures | 116,445 | 111,995 | 106,759 | (5,236) |

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2007**

| | Budget | | 2007 | Variance |
|----------------------------|------------------|------------------|------------------|-------------------------|
| | Original | Final | Actual | Over (Under) |
| District Attorney | | | | |
| Salaries & Benefits | \$ 1,731,900 | \$ 1,785,646 | \$ 1,672,612 | \$ (113,034) |
| Personnel Expense | 18,000 | 18,138 | 18,016 | (122) |
| Occupancy | 4,154 | 4,406 | 4,405 | (1) |
| Communication | 9,500 | 9,605 | 9,417 | (188) |
| Supplies & Minor Equipment | 26,900 | 28,312 | 23,744 | (4,568) |
| Transportation | 8,000 | 8,000 | 4,960 | (3,040) |
| Consultant/Contracted | 14,000 | 11,000 | 7,189 | (3,811) |
| Other Expenses | 19,000 | 14,456 | 10,858 | (3,598) |
| Contra Revenue Accounts | 32,458 | 21,355 | 21,355 | - |
| Total Expenditures | 1,863,912 | 1,900,918 | 1,772,556 | (128,362) |
| Prothonotary | | | | |
| Salaries & Benefits | 635,498 | 598,772 | 543,870 | (54,902) |
| Personnel Expense | 600 | 600 | 550 | (50) |
| Occupancy | 8,526 | 9,880 | 8,646 | (1,234) |
| Communication | 8,750 | 9,153 | 8,855 | (298) |
| Supplies & Minor Equipment | 23,500 | 23,644 | 22,570 | (1,074) |
| Transportation | 2,500 | 2,056 | - | (2,056) |
| Total Expenditures | 679,374 | 644,105 | 584,491 | (59,614) |
| Register Of Wills | | | | |
| Salaries & Benefits | 309,684 | 303,111 | 292,231 | (10,880) |
| Personnel Expense | 750 | 690 | 690 | - |
| Occupancy | 4,810 | 4,878 | 4,877 | (1) |
| Communication | 11,350 | 11,650 | 11,359 | (291) |
| Supplies & Minor Equipment | 13,200 | 12,900 | 12,422 | (478) |
| Transportation | 2,000 | 2,060 | 2,041 | (19) |
| Total Expenditures | 341,794 | 335,289 | 323,620 | (11,669) |

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2007**

| | Budget | | 2007 | Variance |
|-----------------------------|-----------------|--------------|---------------|-------------------------|
| | Original | Final | Actual | Over (Under) |
| Sheriff | | | | |
| Salaries & Benefits | \$ 2,464,691 | \$ 2,379,911 | \$ 2,227,364 | \$ (152,547) |
| Personnel Expense | 32,000 | 32,200 | 28,437 | (3,763) |
| Occupancy | 1,065 | 1,077 | 1,030 | (47) |
| Communication | 11,800 | 11,903 | 10,128 | (1,775) |
| Supplies & Minor Equipment | 85,200 | 75,174 | 68,741 | (6,433) |
| Transportation | 3,000 | 2,400 | 1,882 | (518) |
| Consultant/Contracted | 12,800 | 50,464 | 48,370 | (2,094) |
| Other Expenses | 56,800 | 61,476 | 60,727 | (749) |
| Total Expenditures | 2,667,356 | 2,614,605 | 2,446,677 | (167,928) |
| Court Administration | | | | |
| Salaries & Benefits | 2,010,285 | 1,881,313 | 1,759,087 | (122,226) |
| Personnel Expense | 94,600 | 52,949 | 47,221 | (5,728) |
| Occupancy | 2,405 | 2,439 | 2,439 | - |
| Communication | 13,500 | 14,000 | 12,329 | (1,671) |
| Supplies & Minor Equipment | 55,500 | 53,592 | 49,082 | (4,510) |
| Transportation | 11,500 | 11,500 | 7,716 | (3,784) |
| Consultant/Contracted | 128,000 | 124,586 | 122,786 | (1,800) |
| Other Expenses | 80,000 | 53,096 | 53,096 | - |
| Total Expenditures | 2,395,790 | 2,193,475 | 2,053,757 | (139,718) |
| Law Library | | | | |
| Salaries & Benefits | 62,034 | 62,607 | 57,169 | (5,438) |
| Personnel Expense | 85,020 | 85,020 | 84,884 | (136) |
| Communication | 200 | 245 | 221 | (24) |
| Supplies & Minor Equipment | 500 | 560 | 560 | - |
| Transportation | 300 | 195 | 40 | (155) |
| Total Expenditures | 148,054 | 148,627 | 142,873 | (5,753) |

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2007**

| | Budget | | 2007 | Variance |
|-------------------------------|-----------------|--------------|---------------|-------------------------|
| | Original | Final | Actual | Over (Under) |
| District Court 36-1-03 | | | | |
| Salaries & Benefits | \$ 118,568 | \$ 114,667 | \$ 114,041 | \$ (626) |
| Personnel Expense | 500 | 650 | 581 | (69) |
| Occupancy | 25,650 | 26,240 | 24,868 | (1,372) |
| Communication | 10,900 | 12,015 | 10,788 | (1,227) |
| Supplies & Minor Equipment | 9,400 | 8,820 | 7,443 | (1,377) |
| Transportation | 1,500 | 1,500 | 941 | (559) |
| Total Expenditures | 166,518 | 163,892 | 158,663 | (5,229) |
| District Court 36-1-01 | | | | |
| Salaries & Benefits | 122,350 | 117,818 | 118,401 | 583 |
| Personnel Expense | 400 | 400 | 257 | (143) |
| Occupancy | 11,600 | 11,660 | 7,079 | (4,581) |
| Communication | 12,600 | 14,475 | 10,626 | (3,849) |
| Supplies & Minor Equipment | 8,900 | 8,000 | 5,831 | (2,169) |
| Transportation | 1,000 | 1,000 | 728 | (272) |
| Total Expenditures | 156,850 | 153,353 | 142,922 | (10,431) |
| District Court 36-3-02 | | | | |
| Salaries & Benefits | 116,314 | 121,168 | 112,287 | (8,881) |
| Personnel Expense | 400 | 400 | 257 | (143) |
| Occupancy | 6,700 | 6,926 | 6,160 | (766) |
| Communication | 14,200 | 15,675 | 14,247 | (1,428) |
| Supplies & Minor Equipment | 9,400 | 8,900 | 6,461 | (2,439) |
| Transportation | 1,200 | 1,200 | 777 | (423) |
| Total Expenditures | 148,214 | 154,269 | 140,189 | (14,080) |

EXHIBIT B (PAGE 9 OF 19)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2007**

| | Budget | | 2007 | Variance |
|-------------------------------|-----------------|----------------|----------------|-------------------------|
| | Original | Final | Actual | Over (Under) |
| District Court 36-2-01 | | | | |
| Salaries & Benefits | \$ 160,826 | \$ 180,261 | \$ 174,674 | \$ (5,587) |
| Personnel Expense | 500 | 405 | 389 | (16) |
| Occupancy | 8,500 | 8,824 | 8,090 | (734) |
| Communication | 19,400 | 21,236 | 18,280 | (2,956) |
| Supplies & Minor Equipment | 8,700 | 7,900 | 6,060 | (1,840) |
| Transportation | 2,000 | 2,000 | 1,933 | (67) |
| Total Expenditures | <u>199,926</u> | <u>220,626</u> | <u>209,425</u> | <u>(11,201)</u> |
| District Court 36-3-03 | | | | |
| Salaries & Benefits | 156,633 | 156,452 | 151,615 | (4,837) |
| Personnel Expense | 400 | 250 | 236 | (14) |
| Occupancy | 12,450 | 12,800 | 11,846 | (954) |
| Communication | 19,500 | 21,401 | 19,611 | (1,790) |
| Supplies & Minor Equipment | 13,700 | 12,400 | 11,007 | (1,393) |
| Transportation | 1,200 | 1,200 | 1,007 | (193) |
| Total Expenditures | <u>203,883</u> | <u>204,503</u> | <u>195,322</u> | <u>(9,181)</u> |
| District Court 36-3-04 | | | | |
| Salaries & Benefits | 121,411 | 126,019 | 114,257 | (11,762) |
| Personnel Expense | 300 | 300 | 277 | (23) |
| Occupancy | 8,425 | 8,833 | 7,882 | (951) |
| Communication | 12,500 | 15,094 | 14,037 | (1,057) |
| Supplies & Minor Equipment | 7,200 | 5,900 | 4,497 | (1,403) |
| Transportation | 2,000 | 2,000 | 1,957 | (43) |
| Total Expenditures | <u>151,836</u> | <u>158,146</u> | <u>142,908</u> | <u>(15,238)</u> |

EXHIBIT B (PAGE 10 OF 19)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2007**

| | Budget | | 2007 | Variance |
|-------------------------------|----------------------|----------------------|---------------------|-------------------------|
| | Original | Final | Actual | Over (Under) |
| District Court 36-1-02 | | | | |
| Salaries & Benefits | \$ 169,573 | \$ 161,601 | \$ 156,219 | \$ (5,382) |
| Personnel Expense | 300 | 300 | 100 | (200) |
| Occupancy | 7,500 | 7,500 | 6,266 | (1,234) |
| Communication | 15,600 | 17,850 | 16,741 | (1,109) |
| Supplies & Minor Equipment | 9,500 | 7,600 | 6,759 | (841) |
| Transportation | 700 | 700 | 552 | (148) |
| Total Expenditures | <u>203,173</u> | <u>195,551</u> | <u>186,637</u> | <u>(8,914)</u> |
| District Court 36-3-01 | | | | |
| Salaries & Benefits | 126,891 | 129,958 | 126,220 | (3,738) |
| Personnel Expense | 400 | 400 | 178 | (222) |
| Occupancy | 7,700 | 7,700 | 6,716 | (984) |
| Communication | 13,400 | 15,643 | 14,374 | (1,269) |
| Supplies & Minor Equipment | 10,950 | 9,785 | 7,973 | (1,812) |
| Transportation | 900 | 900 | 395 | (505) |
| Total Expenditures | <u>160,241</u> | <u>164,386</u> | <u>155,856</u> | <u>(8,530)</u> |
| District Court 36-2-02 | | | | |
| Salaries & Benefits | 167,803 | 162,584 | 160,539 | (2,045) |
| Personnel Expense | 500 | 101 | 100 | (1) |
| Occupancy | 7,450 | 7,062 | 6,224 | (838) |
| Communication | 16,700 | 17,700 | 13,515 | (4,185) |
| Supplies & Minor Equipment | 9,650 | 9,050 | 7,556 | (1,494) |
| Transportation | 2,000 | 2,400 | 2,338 | (62) |
| Total Expenditures | <u>204,103</u> | <u>198,897</u> | <u>190,272</u> | <u>(8,625)</u> |
| Total Judicial | <u>\$ 10,767,195</u> | <u>\$ 10,511,430</u> | <u>\$ 9,853,048</u> | <u>\$ (658,381)</u> |

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND**

Year Ended December 31, 2007

| | <u>Budget</u> | | <u>2007</u> | <u>Variance</u> |
|-----------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | <u>Over</u> |
| | | | | <u>(Under)</u> |
| PUBLIC WORKS | | | | |
| Department of Public Works | | | | |
| Salaries & Benefits | \$ 1,999,376 | \$ 1,929,168 | \$ 1,753,773 | \$ (175,395) |
| Personnel Expense | 3,500 | 3,650 | 3,270 | (380) |
| Occupancy | 41,400 | 44,800 | 42,525 | (2,275) |
| Communication | 5,850 | 7,920 | 7,404 | (516) |
| Supplies & Minor Equipment | 47,800 | 52,150 | 47,544 | (4,606) |
| Transportation | 1,300 | 1,300 | - | (1,300) |
| Other Expenses | 47,000 | 49,500 | 46,562 | (2,938) |
| Total Expenditures | <u>2,146,226</u> | <u>2,088,488</u> | <u>1,901,078</u> | <u>(187,410)</u> |
| Airport of Beaver County | | | | |
| Salaries & Benefits | 186,214 | 185,378 | 176,980 | (8,398) |
| Personnel Expense | 58 | 50 | 50 | - |
| Occupancy | 82,009 | 63,671 | 60,739 | (2,932) |
| Communication | 4,500 | 4,000 | 3,881 | (119) |
| Supplies & Minor Equipment | 19,000 | 32,871 | 32,457 | (414) |
| Transportation | 750 | 956 | 955 | (1) |
| Consultant/Contracted | 18,000 | 23,425 | 28,676 | 5,251 |
| Other Expenses | 12,465 | 38,486 | 37,948 | (538) |
| Contra Revenue Accounts | 9,000 | 12,769 | 12,769 | - |
| Total Expenditures | <u>331,996</u> | <u>361,606</u> | <u>354,456</u> | <u>(7,150)</u> |
| Buildings and Grounds | | | | |
| Occupancy | 595,000 | 666,567 | 657,291 | (9,276) |
| Communication | 1,100 | 1,100 | 352 | (748) |
| Supplies & Minor Equipment | 95,000 | 85,618 | 82,773 | (2,845) |
| Consultant/Contracted | 126,000 | 143,679 | 140,988 | (2,691) |
| Other Expenses | 8,100 | 8,100 | 6,149 | (1,951) |
| Total Expenditures | <u>825,200</u> | <u>905,064</u> | <u>887,554</u> | <u>(17,510)</u> |
| Total Public Works | <u>\$ 3,303,422</u> | <u>\$ 3,355,158</u> | <u>\$ 3,143,087</u> | <u>\$ (212,071)</u> |

EXHIBIT B (PAGE 12 OF 19)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND**

Year Ended December 31, 2007

| | Budget | | 2007 | Variance |
|------------------------------------|------------------|------------------|------------------|-------------------------|
| | Original | Final | Actual | Over (Under) |
| PUBLIC SAFETY | | | | |
| Emergency Services | | | | |
| Reimbursement From 911 Fund | \$ (1,148,871) | \$ (1,173,871) | \$ (1,331,289) | \$ (157,418) |
| Salaries & Benefits | 2,141,949 | 2,169,181 | 2,075,077 | (94,104) |
| Personnel Expense | 14,700 | 1,847 | 1,219 | (628) |
| Occupancy | 33,800 | 38,000 | 36,497 | (1,503) |
| Communication | 15,400 | 16,000 | 15,069 | (931) |
| Supplies & Minor Equipment | 29,500 | 26,000 | 23,917 | (2,083) |
| Transportation | 5,000 | 4,000 | 3,398 | (602) |
| Consultant/Contracted Svcs | 2,400 | 60,480 | 57,273 | (3,207) |
| Other Expenses | 9,300 | 2,100 | 1,168 | (932) |
| Total Expenditures | <u>1,103,178</u> | <u>1,143,737</u> | <u>882,329</u> | <u>(261,408)</u> |
| Jail of Beaver County | | | | |
| Salaries & Benefits | 4,809,426 | 4,992,122 | 4,740,377 | (251,745) |
| Personnel Expense | 7,700 | 5,700 | 4,055 | (1,645) |
| Occupancy | 291,375 | 325,669 | 320,047 | (5,622) |
| Communication | 14,200 | 15,416 | 14,788 | (628) |
| Supplies & Minor Equipment | 82,000 | 130,558 | 120,897 | (9,661) |
| Transportation | 1,500 | 1,500 | 1,302 | (198) |
| Consultant/Contracted Svcs | 5,000 | 79,497 | 79,497 | - |
| Other Expenses | 1,204,050 | 1,690,675 | 1,687,347 | (3,328) |
| Total Expenditures | <u>6,415,251</u> | <u>7,241,137</u> | <u>6,968,311</u> | <u>(272,826)</u> |
| Allencrest Detention Center | | | | |
| Reimbursement from Children/Youth | (1,102,000) | (1,102,000) | (2,301,246) | (1,199,246) |
| Salaries & Benefits | 1,872,256 | 1,657,862 | 1,590,216 | (67,646) |
| Personnel Expense | 13,774 | 13,754 | 12,399 | (1,355) |
| Occupancy | 58,100 | 63,400 | 62,070 | (1,330) |
| Communication | 3,850 | 3,750 | 2,736 | (1,014) |
| Supplies & Minor Equipment | 62,700 | 68,580 | 63,939 | (4,641) |
| Transportation | 1,800 | 1,600 | 349 | (1,251) |
| Consultant/Contracted Svcs | 126,000 | 218,360 | 218,359 | - |
| Other Expenses | 45,400 | 50,900 | 47,970 | (2,930) |
| Total Expenditures | <u>1,081,880</u> | <u>976,206</u> | <u>(303,209)</u> | <u>(1,279,414)</u> |

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND**

Year Ended December 31, 2007

| | Budget | | 2007 | Variance |
|--|------------------|------------------|----------------|-------------------------|
| | Original | Final | Actual | Over (Under) |
| DUI Program | | | | |
| Salaries & Benefits | \$ - | \$ 48,042 | \$ 45,202 | \$ (2,840) |
| Personnel Expense | - | 2,000 | 1,476 | (524) |
| Occupancy | - | 2,000 | 900 | (1,100) |
| Communication | - | 1,500 | 446 | (1,054) |
| Supplies & Minor Equipment | - | 3,500 | 2,783 | (717) |
| Consultant/Contracted Svcs | - | 937 | 938 | 1 |
| Total Expenditures | - | 57,979 | 51,744 | (6,235) |
| Adult Probation | | | | |
| Reimbursement from Offender's Supervisory Fund | (556,000.00) | (556,000) | (625,000) | (69,000) |
| Salaries & Benefits | 1,484,867 | 1,456,901 | 1,401,556 | (55,345) |
| Personnel Expense | 750 | 750 | 580 | (170) |
| Communication | 7,500 | 7,500 | 6,560 | (940) |
| Supplies & Minor Equipment | 12,700 | 14,700 | 10,405 | (4,295) |
| Transportation | 6,000 | 6,000 | 5,894 | (106) |
| Other Expenses | 2,000 | 56,136 | 55,957 | (179) |
| Total Expenditures | 957,817 | 985,987 | 855,952 | (130,035) |
| Intermediate Punishment Program | | | | |
| Salaries & Benefits | 357,796 | 293,040 | 279,582 | (13,458) |
| Occupancy | 52,350 | 52,350 | 47,245 | (5,105) |
| Communication | 22,800 | 22,800 | 19,931 | (2,869) |
| Supplies & Minor Equipment | 124,800 | 92,778 | 91,486 | (1,292) |
| Transportation | 3,000 | 3,000 | 2,483 | (517) |
| Other Expenses | 250 | 1,650 | 1,650 | - |
| Total Expenditures | 560,996 | 465,618 | 442,377 | (23,241) |
| Juvenile Probation-Court Services | | | | |
| Reimbursement from the Children Youth Program | (1,550,000) | (1,550,000) | (2,774,997) | (1,224,997) |
| Salaries & Benefits | 1,081,934 | 1,032,942 | 984,393 | (48,549) |
| Personnel Expense | 2,850 | 2,550 | 1,763 | (787) |
| Communication | 15,000 | 17,000 | 13,852 | (3,148) |
| Supplies & Minor Equipment | 13,350 | 13,650 | 8,222 | (5,428) |
| Transportation | 20,000 | 18,500 | 17,937 | (563) |
| Consultant/Contracted Svcs | 82,000 | 94,200 | 88,040 | (6,160) |
| Other Expenses | 2,864,400 | 2,848,090 | 2,561,622 | (286,468) |
| Total Expenditures | 2,529,534 | 2,476,932 | 900,833 | (1,576,099) |

EXHIBIT B (PAGE 14 OF 19)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND**

Year Ended December 31, 2007

| | <u>Budget</u> | | <u>2007</u> | <u>Variance</u> |
|--|----------------------|----------------------|----------------------|-----------------------|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | <u>Over</u> |
| | | | | <u>(Under)</u> |
| Juvenile Probation-Grants (SPS) | | | | |
| Salaries & Benefits | \$ 424,301 | \$ 415,843 | \$ 398,986 | \$ (16,857) |
| Transportation | 12,000 | 13,500 | 12,782 | (718) |
| Total Expenditures | <u>436,301</u> | <u>429,343</u> | <u>411,769</u> | <u>(17,574)</u> |
| Total Public Safety | <u>\$ 13,084,957</u> | <u>\$ 13,776,939</u> | <u>\$ 10,210,106</u> | <u>\$ (3,566,832)</u> |

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES BUDGET AND ACTUAL
GENERAL FUND**

Year Ended December 31, 2007

| | Budget | | 2007 | Variance |
|--|-----------------|--------------|---------------|-------------------------|
| | Original | Final | Actual | Over (Under) |
| CULTURE, RECREATION, AND CONSERVATION | | | | |
| Waste Management | | | | |
| Salaries & Benefits | \$ 239,139 | \$ 234,383 | \$ 223,320 | \$ (11,063) |
| Personnel Expense | 890 | 890 | 635 | (255) |
| Occupancy | 36,600 | 46,350 | 44,443 | (1,907) |
| Communication | 5,500 | 5,250 | 3,160 | (2,090) |
| Supplies & Minor Equipment | 26,000 | 20,492 | 16,860 | (3,632) |
| Transportation | 3,700 | 3,700 | 2,676 | (1,024) |
| Consultant/Contracted Svcs | 17,000 | 13,700 | 11,131 | (2,569) |
| Other Expenses | 56,400 | 39,564 | 37,048 | (2,516) |
| Total Expenditures | 385,229 | 364,329 | 339,273 | (25,056) |
| Library Commission | | | | |
| Salaries & Benefits | 569,319 | 546,010 | 476,274 | (69,736) |
| Personnel Expense | 131,053 | 129,982 | 117,628 | (12,354) |
| Communication | 24,000 | 23,200 | 22,265 | (935) |
| Supplies & Minor Equipment | 61,500 | 67,800 | 60,509 | (7,291) |
| Transportation | 7,000 | 10,300 | 10,004 | (296) |
| Consultant/Contracted | 22,000 | 13,800 | 13,576 | (225) |
| Other Expenses | 200,360 | 705,654 | 702,309 | (3,345) |
| Total Expenditures | 1,015,232 | 1,496,746 | 1,402,565 | (94,181) |
| Parks/Shelter/Recreation | | | | |
| Salaries & Benefits | 101,321 | 88,488 | 84,515 | (3,973) |
| Occupancy | 2,650 | 3,350 | 3,174 | (176) |
| Communication | 2,750 | 2,050 | 1,203 | (847) |
| Supplies & Minor Equipment | 22,700 | 7,376 | 6,541 | (835) |
| Transportation | 1,300 | 1,300 | 22 | (1,278) |
| Consultant/Contracted | 20,000 | 15,156 | 14,725 | (431) |
| Other Expenses | 2,500 | 2,800 | 2,756 | (44) |
| Total Expenditures | 153,221 | 120,520 | 112,936 | (7,584) |

County of Beaver, Pennsylvania

SCHEDULE OF EXPENDITURES BUDGET AND ACTUAL

GENERAL FUND

Year Ended December 31, 2007

| | Budget | | 2007 | Variance |
|---|---------------------|---------------------|---------------------|----------------------------------|
| | Original | Final | Actual | Over Over (Under) |
| DPW/Parks | | | | |
| Occupancy | \$ 35,000 | \$ 33,140 | \$ 31,256 | \$ (1,884) |
| Communication | 4,200 | 4,200 | 2,493 | (1,707) |
| Supplies & Minor Equipment | 55,800 | 50,700 | 44,611 | (6,089) |
| Consultant/Contracted | 14,000 | 3,600 | 2,145 | (1,455) |
| Other Expenses | 22,000 | 12,861 | 12,861 | - |
| Total Expenditures | 131,000 | 104,501 | 93,366 | (11,135) |
| Ice Arena | | | | |
| Salaries & Benefits | 311,529 | 349,352 | 331,610 | (17,742) |
| Personnel Expense | 3,200 | 3,028 | 3,028 | - |
| Occupancy | 158,100 | 242,985 | 240,557 | (2,428) |
| Communication | 7,000 | 2,642 | 2,241 | (401) |
| Supplies & Minor Equipment | 44,350 | 44,958 | 40,587 | (4,371) |
| Transportation | 2,000 | 808 | 807 | (1) |
| Consultant/Contracted | 19,000 | 26,500 | 25,073 | (1,427) |
| Other Expenses | 20,700 | 2,400 | 2,084 | (316) |
| Contra Revenue Accounts | - | 2,400 | 113 | (2,287) |
| Total Expenditures | 565,879 | 675,073 | 646,101 | (28,971) |
| Pool | | | | |
| Salaries & Benefits | 67,845 | 59,762 | 58,705 | (1,057) |
| Occupancy | 18,700 | 25,900 | 21,791 | (4,109) |
| Communication | 1,550 | 1,550 | 488 | (1,062) |
| Supplies & Minor Equipment | 6,700 | 3,700 | 2,945 | (755) |
| Other Expenses | 21,000 | 18,700 | 18,173 | (527) |
| Total Expenditures | 115,795 | 109,612 | 102,102 | (7,510) |
| DPW-Ballfields | | | | |
| Occupancy | 730 | 1,330 | 970 | (360) |
| Supplies & Minor Equipment | 5,200 | 4,700 | 2,664 | (2,036) |
| Other Expenses | - | 5,300 | 3,895 | (1,405) |
| Total Expenditures | 5,930 | 11,330 | 7,529 | (3,801) |
| Total Culture, Recreation and Conservation | \$ 2,372,286 | \$ 2,882,111 | \$ 2,703,871 | \$ (178,239) |

EXHIBIT B (PAGE 17 OF 19)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND**

Year Ended December 31, 2007

| | <u>Budget</u> | | <u>2007</u> | <u>Variance</u> |
|--|----------------------------|----------------------------|----------------------------|-------------------------|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | <u>Over</u> |
| | | | | <u>(Under)</u> |
| HUMAN SERVICES | | | | |
| County Matches/Subsidies | | | | |
| Subsidies | \$ 3,444,745 | \$ 3,457,745 | \$ 3,901,140 | \$ 443,395 |
| Consultant/Contracted | - | 90,000 | 71,671 | (18,329) |
| County Match | 2,343,028 | 2,467,845 | 2,102,080 | (365,765) |
| Other Expenses | 100,000 | 10,000 | - | (10,000) |
| Contra Revenue Accounts | 47,000 | 47,000 | 38,403 | (8,597) |
| Total Expenditures | <u>5,934,773</u> | <u>6,072,590</u> | <u>6,113,295</u> | <u>40,705</u> |
| Beaver County Transit Authority | | | | |
| Subsidies | 810,000 | 810,000 | 810,000 | - |
| Contra Revenue Accounts | <u>1,000,000</u> | <u>1,597,704</u> | <u>1,597,704</u> | - |
| Total Expenditures | <u>1,810,000</u> | <u>2,407,704</u> | <u>2,407,704</u> | - |
| Total Human Services | <u><u>\$ 7,744,773</u></u> | <u><u>\$ 8,480,294</u></u> | <u><u>\$ 8,520,999</u></u> | <u><u>\$ 40,705</u></u> |

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND**

Year Ended December 31, 2007

| | Budget | | 2007 | Variance |
|---|---------------------------------|---------------------------------|---------------------------------|----------------------------------|
| | Original | Final | Actual | Over (Under) |
| Debt Service | | | | |
| Principal | \$ 2,980,000 | \$ 2,712,292 | \$ 2,659,767 | \$ (52,525) |
| Interest | 4,209,620 | 4,446,752 | 5,237,624 | 790,872 |
| Other Refunding Bond Issuance Costs | - | - | 933,619 | 933,619 |
| Total Expenditures | <u>7,189,620</u> | <u>7,159,044</u> | <u>8,831,010</u> | <u>1,671,966</u> |
| Fixed Asset Acquisition and Improvements | <u>547,000</u> | <u>112,211</u> | <u>473,738</u> | <u>361,527</u> |
| Infrastructure | <u>-</u> | <u>11,375</u> | <u>14,875</u> | <u>3,500</u> |
| TOTAL EXPENDITURES | <u><u>\$ 52,639,136</u></u> | <u><u>\$ 56,622,114</u></u> | <u><u>\$ 53,197,393</u></u> | <u><u>\$ (3,424,717)</u></u> |

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County of Beaver, Pennsylvania Individual Fund Designations

County Records Improvement

This fund is a requirement of Act 8 of 1998 (42 PS 21052.1). This Act creates an additional fee for the recordation of deeds, the proceeds of which are to be devoted to the improvement of record keeping and record management County-wide. The Act also creates a Record Management Committee, consisting of most County row officers and the Board of Commissioners. The annual budget and expenditures from this fund are to be governed by decision of the Committee.

Recorder of Deeds Records Improvement

The purpose of the Recorder's Record Improvement Fund is to support development and improvement of office records management activities and systems in the office of the Recorder of Deeds. Amounts in the separate fund shall not be used to substitute any allocations of general revenues for the operation of the Recorder's Office without the express consent of the Recorder.

Prothonotary Automation

These funds shall be used solely for the purpose of automating the Prothonotary's Office and any continued automation updates.

Clerk of Courts Automation

These funds shall be used solely for the purpose of automating the Clerk of Courts Office and any continued automation updates.

Register of Wills Automation

The purpose of this fund is to purchase equipment to upgrade or replace machines that are needed to operate the office of the Register of Wills.

Domestic Relations

The IV-D fund is established and administered for the purpose of establishing and the subsequent enforcing of support obligations owed by non-custodial parents to their children and the parent with whom such children are living, locating non-custodial parents, establishing paternity, obtaining child and spousal support, and assuring that assistance in obtaining support will be available for whom such assistance is requested.

Offender's Supervisory

The Offender Supervision Fee is assessed monthly against all offenders placed on probation, parole, Accelerated Rehabilitative Disposition, Probation with Verdict and Intermediate Punishment. Currently, the money is collected by the Clerk of Courts, with 50% being retained by the County and 50% being forwarded to the State. In the first quarter of the following year, 100% of that amount is returned to the County.

County of Beaver, Pennsylvania Individual Fund Designations

Victim Witness

The Victim Witness Assistance Project provides direct/indirect services to all victims of crime in Beaver County. These services include: Criminal Justice Support/Advocacy, Crisis & Follow-Up Counseling, Information/Referral, Court Accompaniment, Victim Compensation Assistance Program Claims, Restitution, Sentencing & Prison Notifications, Property Return, Witness Management, and Victim Impact Statements.

Stop Grant

The Stop Grant fund is responsible for training law enforcement officers, judges, other court personnel, and prosecutors to more effectively identify and respond to violent crimes against women, including crimes of sexual assault, domestic violence and dating violence. This fund is also responsible for police, court and prosecution policies, protocols, orders and services specifically devoted to preventing, identifying and responding to violent crimes against women.

Hazardous Materials/Act 147 Grants

This fund is responsible for upgrading the County's Hazardous Materials Response Team which services all of Beaver County and provides containment of spills until private contractors arrive for clean-up. Act 147 Funds are also recorded here and are used to better prepare Beaver County for a possible accident at the Beaver Valley Nuclear Power Station. Nearly half of the funds go back to the municipality that are with-in a ten mile radius of the plant for traffic control devices, radio equipment and other items necessary to complete an effective evacuation of the area.

Liquid Fuels

The purpose of the Liquid Fuels Fund is for construction, maintenance, and repair of County roads and bridges and services pertaining to such.

County Office on Aging

The purpose of the Beaver County Office on Aging (BCOA), is to plan and deliver a comprehensive system of social services for the citizens of Beaver County who are over age 60. BCOA operates under the direction of the County Commissioners to identify the needs in the communities, ensure the provision of quality services, preserve the dignity of the individual and advocate for their rights. BCOA provides and contracts for case management, home and community based care, recreation, health and wellness activities, congregate and home delivered meals, PDA waiver, nursing home diversion, protective services, senior center services and other programs that ensure the safety, independence and well being of older persons.

County of Beaver, Pennsylvania Individual Fund Designations

Childcare Resource Management

The Pennsylvania Department of Public Welfare, through its Childcare Information Service Agencies, administers the Subsidized Child Day Care Program for low income families and makes resources and referral services available to all citizens of Pennsylvania. Childcare Information Service Agencies are dedicated to provide all services courteously, to help families receive all of the services for which they are eligible, and to help families access all needed resources in a community.

Tourist Promotion

The Tourism Fund is funded through the County's hotel/motel occupancy tax, which is 3% of gross receipts tax collected by innkeepers within the County from each transaction of renting a sleeping room(s) to transients. By ordinance, the recognized tourist promotion agency shall only use these tax revenues to directly fund County-wide tourist promotion activities and its operational expenses. The Tourism Department also applies for state tourism grants on a yearly basis from the Department of Economic Development, which specifies by law how those funds can be used relative to regional or county tourism promotional activities.

Courtroom Improvement

This fund was established in 1995 for the purpose of renovating four courtrooms. This fund was closed in October 2006.

2005 Bond Issue

Bond proceeds deposited into this fund were to be used to afford a new financial accounting system, an energy saving project at the Ice/Tennis Facility [upgrade of ice-making equipment, lighting, and building HVAC], and miscellaneous other capital items as the Commissioners designated.

FAA Projects

This fund was established for the County of Beaver to track grant funds received from the Federal Aviation Administration and PaDOT, Bureau of Aviation. These funds are for development, improvement, rehabilitation, equipment acquisition and planning projects at the Beaver County Airport.

County of Beaver, Pennsylvania

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2007

| | <u>County Records Improvement</u> | <u>Recorder of Deeds Records Improvement</u> | <u>Prothonotary Automation</u> | <u>Clerk of Courts Automation</u> | <u>Register of Wills Automation</u> | <u>Domestic Relations</u> |
|---|---|--|------------------------------------|---|---|-------------------------------|
| ASSETS | | | | | | |
| Cash and Cash Equivalents | \$ 114,297 | \$ 182,440 | \$ 77,875 | \$ 11,829 | \$ 26,373 | \$ 68,290 |
| Due From Other Funds | - | - | - | - | - | - |
| Prepaid Other | - | - | - | - | - | - |
| Accounts Receivable | 3,458 | 5,187 | 1,425 | 560 | 575 | 384,092 |
| Investments | - | - | - | - | - | - |
| TOTAL ASSETS | <u>\$ 117,755</u> | <u>\$ 187,627</u> | <u>\$ 79,300</u> | <u>\$ 12,390</u> | <u>\$ 26,948</u> | <u>\$ 452,382</u> |
| LIABILITIES | | | | | | |
| Accounts Payable | \$ 3,095 | - | - | - | - | \$ 970 |
| Due to Other Funds | - | - | - | - | - | 378,123 |
| Deferred Revenue | - | - | - | - | - | - |
| TOTAL LIABILITIES | 3,095 | - | - | - | - | 379,093 |
| FUND BALANCE | | | | | | |
| Unreserved, designated for encumbrances | 24,888 | 140,900 | - | - | - | - |
| Unreserved, undesignated | 89,771 | 46,727 | 79,300 | 12,390 | 26,948 | 73,289 |
| TOTAL FUND BALANCE | <u>114,659</u> | <u>187,627</u> | <u>79,300</u> | <u>12,390</u> | <u>26,948</u> | <u>73,289</u> |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$ 117,755</u> | <u>\$ 187,627</u> | <u>\$ 79,300</u> | <u>\$ 12,390</u> | <u>\$ 26,948</u> | <u>\$ 452,382</u> |

Special Revenue

| <u>Offender's Supervisory</u> | <u>Victim Witness</u> | <u>Hazardous Materials/ Act 147 Grants</u> | <u>Liquid Fuels</u> | <u>County Office on Aging</u> | <u>Childcare Resource Management</u> | <u>Tourist Promotion</u> | <u>Total</u> |
|-----------------------------------|---------------------------|--|-------------------------|-----------------------------------|--|------------------------------|--------------------|
| \$ 25,066 | \$ 12,992 | \$ 85,216 | \$1,384,859 | \$ 1,658,793 | \$ 66,657 | \$ 101,507 | \$3,816,197 |
| - | - | - | - | - | - | - | - |
| 14,319 | 21,308 | 14,144 | 337,552 | 12,557 | 7,335 | - | 19,892 |
| - | - | - | - | 54,385 | 669,104 | 16,569 | 1,522,678 |
| <u>\$ 39,386</u> | <u>\$ 34,300</u> | <u>\$ 99,360</u> | <u>\$1,722,411</u> | <u>\$ 1,725,736</u> | <u>\$ 743,096</u> | <u>\$ 118,076</u> | <u>\$5,358,768</u> |
| \$ - | \$ 1,120 | \$ 6,729 | \$ 39,921 | \$ 178,152 | \$ 642,559 | \$ 14,911 | \$ 887,457 |
| - | 36,321 | 11,260 | 20,188 | 146,079 | 18,268 | 16,613 | 626,853 |
| - | 3,708 | 42,718 | - | 300,000 | - | - | 346,426 |
| - | 41,149 | 60,707 | 60,109 | 624,231 | 660,827 | 31,525 | 1,860,736 |
| - | - | 970 | 1,098,665 | 3,000 | - | - | 1,268,423 |
| <u>39,386</u> | <u>(6,849)</u> | <u>37,684</u> | <u>563,637</u> | <u>1,098,505</u> | <u>82,269</u> | <u>86,552</u> | <u>2,229,609</u> |
| <u>39,386</u> | <u>(6,849)</u> | <u>38,654</u> | <u>1,662,302</u> | <u>1,101,505</u> | <u>82,269</u> | <u>86,552</u> | <u>3,498,032</u> |
| <u>\$ 39,386</u> | <u>\$ 34,300</u> | <u>\$ 99,360</u> | <u>\$1,722,411</u> | <u>\$ 1,725,736</u> | <u>\$ 743,096</u> | <u>\$ 118,076</u> | <u>\$5,358,767</u> |

County of Beaver, Pennsylvania

COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2007

| | <u>Capital Projects</u> | | | <u>Total</u> |
|---|-------------------------|-----------------|------------------|---------------------|
| | <u>2005 Bond</u> | <u>FAA</u> | <u>Total</u> | <u>Nonmajor</u> |
| | <u>Issue</u> | <u>Projects</u> | | <u>Governmental</u> |
| | | | | <u>Funds</u> |
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 24,231 | \$26,661 | \$ 50,892 | \$ 3,867,089 |
| Due From Other Funds | - | - | - | - |
| Prepaid Other | - | - | - | 19,892 |
| Accounts Receivable | - | - | - | 1,522,678 |
| Investments | - | - | - | - |
| TOTAL ASSETS | <u>\$ 24,231</u> | <u>\$26,661</u> | <u>\$ 50,892</u> | <u>\$ 5,409,660</u> |
| LIABILITIES | | | | |
| Accounts Payable | \$ 24,231 | \$ 4,691 | \$ 28,922 | \$ 916,379 |
| Due to Other Funds | - | - | - | 626,853 |
| Deferred Revenue | - | 20,904 | 20,904 | 367,330 |
| TOTAL LIABILITIES | <u>24,231</u> | <u>25,595</u> | <u>49,826</u> | <u>1,910,560</u> |
| FUND BALANCE | | | | |
| Unreserved, designated for encumbrances | - | - | - | 1,268,423 |
| Unreserved, undesignated | - | 1,066 | 1,066 | 2,230,675 |
| TOTAL FUND BALANCE | <u>-</u> | <u>1,066</u> | <u>1,066</u> | <u>3,499,100</u> |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$ 24,231</u> | <u>\$26,661</u> | <u>\$ 50,892</u> | <u>\$ 5,409,660</u> |

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County of Beaver, Pennsylvania

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2007**

| | <u>County Records Improvement</u> | <u>Recorder of Deeds Records Improvement</u> | <u>Prothonotary Automation</u> | <u>Clerk of Courts Automation</u> | <u>Register of Wills Automation</u> | <u>Domestic Relations</u> |
|---|---|--|------------------------------------|---|---|-------------------------------|
| REVENUES | | | | | | |
| Investment Income | \$ 5,273 | \$ 8,248 | \$ 3,439 | \$ 419 | \$ 73 | \$ 3,686 |
| Intergovernmental | - | - | - | - | - | 1,913,843 |
| Departmental Earnings | 53,024 | 79,536 | 17,513 | 8,623 | 9,710 | 70,813 |
| Local Hotel Room Tax | - | - | - | - | - | - |
| Reimbursement Income | - | - | - | - | - | - |
| TOTAL REVENUES | 58,297 | 87,784 | 20,952 | 9,042 | 9,783 | 1,988,343 |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| General Government | 1,500 | 55,614 | 5,906 | 1,490 | 1,500 | - |
| Judicial | - | - | - | - | - | 2,119,985 |
| Public Safety | - | - | - | - | - | - |
| Public Works and Enterprises | - | - | - | - | - | - |
| Culture Recreation & Conservation | - | - | - | - | - | - |
| Intergovernmental | | | | | | |
| Operating / Human Services | - | - | - | - | - | - |
| Debt Service | | | | | | |
| Interest | - | - | - | - | - | - |
| Capital Outlay | | | | | | |
| Infrastructure | - | - | - | - | - | - |
| Fixed Asset Acquisition | 44,549 | 12,366 | - | - | - | 2,322 |
| TOTAL EXPENDITURES | 46,050 | 67,980 | 5,906 | 1,490 | 1,500 | 2,122,307 |
| Excess (Deficiency) of Revenue Over (Under) Expenditures | 12,247 | 19,804 | 15,046 | 7,552 | 8,283 | (133,965) |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Proceeds of Long Term Capital Debt | - | - | - | - | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | - | - | - | - | - | - |
| Net Changes in Fund Balances | 12,247 | 19,804 | 15,046 | 7,552 | 8,283 | (133,965) |
| Fund Balance - Beginning | 102,412 | 167,823 | 64,254 | 4,837 | 18,665 | 207,253 |
| Fund Balance - Ending | \$ 114,659 | \$ 187,627 | \$ 79,300 | \$ 12,390 | \$ 26,948 | \$ 73,289 |

EXHIBIT D (PAGE 1 OF 3)

Special Revenue

| <u>Offender's Supervisory</u> | <u>Victim Witness / Stop Grant</u> | <u>Hazardous Materials/ Act 147 Grants</u> | <u>Liquid Fuels</u> | <u>County Office on Aging</u> | <u>Childcare Resource Management</u> | <u>Tourist Promotion</u> | <u>Total</u> |
|-----------------------------------|--|--|-------------------------|-----------------------------------|--|------------------------------|--------------|
| \$ 15,576 | \$ 2,038 | \$ 2,090 | \$ 56,889 | \$ 63,851 | \$ 21,274 | \$ 235 | \$ 183,093 |
| 250,278 | 177,528 | 128,220 | 2,754,210 | 4,577,085 | 8,147,673 | 31,705 | 17,980,542 |
| 266,867 | - | - | 23,178 | 77,545 | - | 8,523 | 615,332 |
| - | - | - | - | - | - | 228,852 | 228,852 |
| - | - | 4,250 | - | - | - | - | 4,250 |
| 532,720 | 179,566 | 134,560 | 2,834,277 | 4,718,481 | 8,168,947 | 269,316 | 19,012,070 |
| - | - | - | - | - | - | - | 66,010 |
| 625,000 | 177,607 | - | - | - | - | - | 2,922,593 |
| - | - | 127,431 | - | - | - | - | 127,431 |
| - | - | - | 349,336 | - | - | - | 349,336 |
| - | - | - | - | - | - | 273,710 | 273,710 |
| - | - | - | - | 4,657,713 | 8,132,809 | - | 12,790,522 |
| - | - | - | - | - | - | - | - |
| - | - | - | 2,189,277 | - | - | - | 2,189,277 |
| - | - | 15,206 | 51,690 | - | 19,573 | 4,970 | 150,675 |
| 625,000 | 177,607 | 142,637 | 2,590,304 | 4,657,713 | 8,152,381 | 278,680 | 18,869,555 |
| (92,280) | 1,959 | (8,077) | 243,973 | 60,768 | 16,566 | (9,364) | 142,514 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| (92,280) | 1,959 | (8,077) | 243,973 | 60,768 | 16,566 | (9,364) | 142,514 |
| 131,665 | (8,808) | 46,730 | 1,418,329 | 1,040,737 | 65,703 | 95,916 | 3,355,517 |
| \$ 39,386 | \$ (6,849) | \$ 38,654 | \$ 1,662,302 | \$ 1,101,505 | \$ 82,269 | \$ 86,552 | \$ 3,498,032 |

County of Beaver, Pennsylvania

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2007**

| | <u>Capital Projects</u> | | | <u>Total</u> |
|---|----------------------------|------------------------|----------------|--|
| | <u>2005 Bond Issue</u> | <u>FAA Project</u> | <u>Total</u> | <u>Nonmajor Governmental Total</u> |
| REVENUES | | | | |
| Investment Income | \$ 11,095 | \$ 93 | \$ 11,187 | \$ 194,280 |
| Intergovernmental | 164,922 | 51,276 | 216,198 | 18,196,741 |
| Departmental Earnings | - | - | - | 615,332 |
| Local Hotel Room Tax | - | - | - | 228,852 |
| Reimbursement Income | - | - | - | 4,250 |
| TOTAL REVENUES | 176,017 | 51,369 | 227,386 | 19,239,455 |
| EXPENDITURES | | | | |
| Current | | | | |
| General Government | - | - | - | 66,010 |
| Judicial | - | - | - | 2,922,593 |
| Public Safety | - | - | - | 127,431 |
| Public Works and Enterprises | - | 2,583 | 2,583 | 351,919 |
| Culture Recreation & Conservation | - | - | - | 273,710 |
| Intergovernmental | | | | |
| Operating / Human Services | - | - | - | 12,790,522 |
| Debt Service | | | | |
| Interest | - | - | - | - |
| Capital Outlay | | | | |
| Infrastructure | 454,737 | 54,859 | 509,596 | 2,698,873 |
| Fixed Asset Acquisition | 86,971 | - | 86,971 | 237,646 |
| TOTAL EXPENDITURES | 541,708 | 57,442 | 599,150 | 19,468,703 |
| Excess (Deficiency) of Revenue Over (Under) Expenditures | (365,691) | (6,073) | (371,764) | (229,247) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds of Long Term Capital Debt | - | - | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | - | - | - | - |
| Net Changes in Fund Balances | (365,691) | (6,073) | (371,764) | (229,247) |
| Fund Balance - Beginning | 365,691 | 7,138 | 372,830 | 3,728,348 |
| Fund Balance - Ending | \$ - | \$ 1,066 | \$ 1,066 | \$ 3,499,100 |

EXHIBIT D (PAGE 3 OF 3)

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County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2007**

| | <u>Budget</u> | | <u>2007</u> | <u>Variance</u> |
|---|-------------------|------------------|-------------------|-------------------------|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | <u>Over (Under)</u> |
| <u>GENERAL GOVERNMENT</u> | | | | |
| County Records Improvement | | | | |
| Revenues | | | | |
| Departmental Earnings | \$ 48,000 | \$ 48,000 | \$ 53,024 | \$ 5,024 |
| Interest | 5,000 | 5,000 | 5,273 | 273 |
| Total Revenues | <u>53,000</u> | <u>53,000</u> | <u>58,297</u> | <u>5,297</u> |
| Expenditures | | | | |
| Supplies & Minor Equip. | - | 1,500 | 1,500 | - |
| Capital Outlay | - | 52,838 | 44,549 | (8,289) |
| Total Expenditures | <u>-</u> | <u>54,338</u> | <u>46,050</u> | <u>(8,289)</u> |
| Excess (Deficiency) of Revenue Over (Under) Expenditures | 53,000 | (1,338) | 12,247 | 13,586 |
| Fund Balance - January 1, 2007 | <u>93,000</u> | <u>93,000</u> | <u>102,412</u> | <u>9,412</u> |
| Fund Balance - December 31, 2007 | <u>\$ 146,000</u> | <u>\$ 91,662</u> | <u>\$ 114,659</u> | <u>\$ 22,998</u> |

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2007**

| | <u>Budget</u> | | <u>2007</u> | <u>Variance</u> |
|---|-----------------|------------------|-------------------|-------------------------|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | <u>Over (Under)</u> |
| <u>GENERAL GOVERNMENT</u> | | | | |
| Recorder of Deeds Records Improvement | | | | |
| Revenues | | | | |
| Departmental Earnings | \$ 100,000 | \$ 100,000 | \$ 79,536 | \$ (20,464) |
| Interest | 4,500 | 4,500 | 8,248 | 3,748 |
| Total Revenues | <u>104,500</u> | <u>104,500</u> | <u>87,784</u> | <u>(16,716)</u> |
| Expenditures | | | | |
| Supplies & Minor Equip. | 4,500 | 5,500 | 4,086 | (1,414) |
| Transportation | 5,000 | 5,000 | - | (5,000) |
| Consultant/Contracted Svcs. | 100,000 | 53,729 | 51,528 | (2,201) |
| Capital Outlay | 65,000 | 18,000 | 12,366 | (5,634) |
| Total Expenditures | <u>174,500</u> | <u>82,229</u> | <u>67,980</u> | <u>(14,249)</u> |
| Excess (Deficiency) of Revenue Over (Under) Expenditures | (70,000) | 22,271 | 19,804 | (2,467) |
| Fund Balance - January 1, 2007 | <u>70,000</u> | <u>70,000</u> | <u>167,823</u> | <u>97,823</u> |
| Fund Balance - December 31, 2007 | <u>\$ -</u> | <u>\$ 92,271</u> | <u>\$ 187,627</u> | <u>\$ 95,356</u> |

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2007**

| | <u>Budget</u> | | <u>2007</u> | <u>Variance</u> |
|---|------------------|------------------|------------------|-------------------------|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | <u>Over (Under)</u> |
| <u>GENERAL GOVERNMENT</u> | | | | |
| Prothonotary Automation | | | | |
| Revenues | | | | |
| Departmental Earnings | \$ 70,000 | \$ 70,000 | \$ 17,513 | \$ (52,487) |
| Interest | 2,300 | 2,300 | 3,439 | 1,139 |
| Total Revenues | <u>72,300</u> | <u>72,300</u> | <u>20,952</u> | <u>(51,348)</u> |
| Expenditures | | | | |
| Salaries & Benefits | - | 22,106 | 3,521 | (18,585) |
| Supplies & Minor Equip. | - | 10,000 | 2,384 | (7,616) |
| Total Expenditures | <u>-</u> | <u>32,106</u> | <u>5,906</u> | <u>(26,200)</u> |
| Excess (Deficiency) of Revenue Over (Under) Expenditures | 72,300 | 40,194 | 15,046 | (25,148) |
| Fund Balance - January 1, 2007 | <u>15,000</u> | <u>15,000</u> | <u>64,254</u> | <u>49,254</u> |
| Fund Balance - December 31, 2007 | <u>\$ 87,300</u> | <u>\$ 55,194</u> | <u>\$ 79,300</u> | <u>\$ 24,106</u> |

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2007**

| | <u>Budget</u> | | <u>2007</u> | <u>Variance</u> |
|---|-----------------|-----------------|------------------|-------------------------|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | <u>Over (Under)</u> |
| <u>GENERAL GOVERNMENT</u> | | | | |
| Clerk of Courts Automation | | | | |
| Revenues | | | | |
| Departmental Earnings | \$ 7,000 | \$ 8,490 | \$ 8,623 | \$ 133 |
| Interest | - | - | 419 | 419 |
| Total Revenues | <u>7,000</u> | <u>8,490</u> | <u>9,042</u> | <u>552</u> |
| Expenditures | | | | |
| Supplies & Minor Equip. | - | 1,490 | 1,490 | - |
| Consultant/Contracted Svcs. | 500 | 500 | - | (500) |
| Capital Outlay | 6,500 | 6,500 | - | (6,500) |
| Total Expenditures | <u>7,000</u> | <u>8,490</u> | <u>1,490</u> | <u>(7,000)</u> |
| Excess (Deficiency) of Revenue Over (Under) Expenditures | - | - | 7,552 | 7,552 |
| Fund Balance - January 1, 2007 | <u>3,800</u> | <u>3,800</u> | <u>4,837</u> | <u>1,037</u> |
| Fund Balance - December 31, 2007 | <u>\$ 3,800</u> | <u>\$ 3,800</u> | <u>\$ 12,390</u> | <u>\$ 8,590</u> |

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2007**

| | Budget | | 2007 | Variance |
|---|------------------|------------------|------------------|-------------------------|
| | Original | Final | Actual | Over (Under) |
| <u>GENERAL GOVERNMENT</u> | | | | |
| Register of Wills Automation | | | | |
| Revenues | | | | |
| Departmental Earnings | \$ 10,000 | \$ 10,000 | \$ 9,710 | \$ (290) |
| Interest | 30 | 30 | 73 | 43 |
| Total Revenues | <u>10,030</u> | <u>10,030</u> | <u>9,783</u> | <u>(247)</u> |
| Expenditures | | | | |
| Supplies & Minor Equip. | - | 1,500 | 1,500 | - |
| Total Expenditures | <u>-</u> | <u>1,500</u> | <u>1,500</u> | <u>-</u> |
| Excess (Deficiency) of Revenue Over (Under) Expenditures | 10,030 | 8,530 | 8,283 | (247) |
| Fund Balance - January 1, 2007 | <u>5,000</u> | <u>6,500</u> | <u>18,665</u> | <u>12,165</u> |
| Fund Balance - December 31, 2007 | <u>\$ 15,030</u> | <u>\$ 15,030</u> | <u>\$ 26,948</u> | <u>\$ 11,918</u> |

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2007**

| | <u>Budget</u> | | <u>2007</u> | <u>Variance</u> |
|---|------------------|--------------------|------------------|-------------------------|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | <u>Over (Under)</u> |
| <u>JUDICIAL</u> | | | | |
| Domestic Relations | | | | |
| Revenues | | | | |
| Intergovernmental | \$ 2,027,333 | \$ 2,027,333 | \$ 1,913,843 | \$ (113,490) |
| Departmental Earnings | 56,500 | 25,912 | 70,813 | 44,901 |
| Interest | 4,000 | 4,000 | 3,686 | (314) |
| Total Revenues | <u>2,087,833</u> | <u>2,057,245</u> | <u>1,988,343</u> | <u>(68,902)</u> |
| Expenditures | | | | |
| Salaries & Benefits | 1,916,690 | 1,769,229 | 1,770,973 | 1,744 |
| Personnel Expense | 18,100 | 5,766 | 7,720 | 1,954 |
| Occupancy | 1,093 | 1,109 | 1,109 | (1) |
| Communication | 53,000 | 44,421 | 44,419 | (2) |
| Supplies & Minor Equip. | 23,400 | 18,051 | 18,583 | 532 |
| Transportation | 9,300 | 8,696 | 8,696 | - |
| Consultant/Contracted Svcs. | 21,000 | 20,913 | 20,913 | (1) |
| Other Expenditures | 32,250 | 247,914 | 247,574 | (340) |
| Capital Outlay | 13,000 | 2,322 | 2,322 | - |
| Total Expenditures | <u>2,087,833</u> | <u>2,118,421</u> | <u>2,122,307</u> | <u>3,887</u> |
| Excess (Deficiency) of Revenue Over (Under) Expenditures | - | (61,176) | (133,965) | (72,789) |
| Fund Balance - January 1, 2007 | <u>-</u> | <u>-</u> | <u>207,253</u> | <u>207,253</u> |
| Fund Balance - December 31, 2007 | <u>\$ -</u> | <u>\$ (61,176)</u> | <u>\$ 73,289</u> | <u>\$ 134,464</u> |

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2007**

| | Budget | | 2007 | Variance |
|---|-----------------|----------------|------------------|-------------------------|
| | Original | Final | Actual | Over (Under) |
| <u>JUDICIAL</u> | | | | |
| Offender's Supervisory | | | | |
| Revenues | | | | |
| Departmental Earnings | \$ 275,000 | \$ 275,000 | \$ 266,867 | \$ (8,133) |
| Intergovernmental | 275,000 | 275,000 | 250,278 | (24,722) |
| Interest | 6,000 | 6,000 | 15,576 | 9,576 |
| Total Revenues | <u>556,000</u> | <u>556,000</u> | <u>532,720</u> | <u>(23,280)</u> |
| Expenditures | | | | |
| Reimburse Other Funds | <u>556,000</u> | <u>556,000</u> | <u>625,000</u> | <u>69,000</u> |
| Total Expenditures | <u>556,000</u> | <u>556,000</u> | <u>625,000</u> | <u>69,000</u> |
| Excess (Deficiency) of Revenue Over (Under) Expenditures | - | - | (92,280) | (92,280) |
| Fund Balance - January 1, 2007 | <u>-</u> | <u>-</u> | <u>131,665</u> | <u>131,665</u> |
| Fund Balance - December 31, 2007 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 39,386</u> | <u>\$ 39,386</u> |

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2007**

| | <u>Budget</u> | | <u>2007</u> | <u>Variance</u> |
|---|-----------------|-----------------|-------------------|-------------------------|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | <u>Over (Under)</u> |
| <u>JUDICIAL</u> | | | | |
| Victim Witness | | | | |
| Revenues | | | | |
| Intergovernmental | \$ 188,648 | \$ 188,648 | \$ 177,528 | \$ (11,120) |
| Interest | - | - | 2,038 | 2,038 |
| Total Revenues | <u>188,648</u> | <u>188,648</u> | <u>179,566</u> | <u>(9,082)</u> |
| Expenditures | | | | |
| Salaries & Benefits | 166,482 | 165,225 | 159,032 | (6,193) |
| Personnel Expense | 72 | 72 | 72 | - |
| Communication | 600 | 812 | 568 | (244) |
| Supplies & Minor Equip. | 1,744 | 5,980 | 4,470 | (1,511) |
| Transportation | 2,226 | 3,171 | 2,467 | (704) |
| Other Expenditures | 11,000 | 11,000 | 11,000 | - |
| Total Expenditures | <u>182,124</u> | <u>186,260</u> | <u>177,607</u> | <u>(8,652)</u> |
| Excess (Deficiency) of Revenue Over (Under) Expenditures | 6,524 | 2,388 | 1,959 | (429) |
| Fund Balance - January 1, 2007 | <u>-</u> | <u>-</u> | <u>(8,808)</u> | <u>(8,808)</u> |
| Fund Balance - December 31, 2007 | <u>\$ 6,524</u> | <u>\$ 2,388</u> | <u>\$ (6,849)</u> | <u>\$ (9,237)</u> |

EXHIBIT E (PAGE 8 OF 13)

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2007**

| | <u>Budget</u> | | <u>2007</u> | <u>Variance</u> |
|---|-----------------|-----------------|------------------|-------------------------|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | <u>Over (Under)</u> |
| <u>PUBLIC SAFETY</u> | | | | |
| Hazardous Materials / Act 147 Grants | | | | |
| Revenues | | | | |
| Intergovernmental | \$ 121,098 | \$ 130,999 | \$ 128,220 | \$ (2,779) |
| Interest | 1,425 | 1,425 | 2,090 | 665 |
| Reimbursement Income | - | - | 4,250 | 4,250 |
| Total Revenues | <u>122,523</u> | <u>132,424</u> | <u>134,560</u> | <u>2,136</u> |
| Expenditures | | | | |
| Salaries & Benefits | 1,907 | 1,907 | 1,907 | - |
| Personnel Expense | 8,500 | 11,850 | 7,423 | (4,427) |
| Consultant/Contracted Svcs. | - | 10,877 | 9,877 | (1,000) |
| Occupancy | 11,750 | 12,400 | 11,562 | (838) |
| Communication | 30,500 | 35,000 | 28,032 | (6,968) |
| Supplies & Minor Equipment | 22,593 | 24,123 | 17,684 | (6,439) |
| Transportation | 5,000 | 3,024 | 1,240 | (1,784) |
| Other Expenditures | 50,430 | 55,224 | 49,706 | (5,518) |
| Capital Outlay | 10,000 | 15,206 | 15,206 | - |
| Total Expenditures | <u>140,680</u> | <u>169,611</u> | <u>142,637</u> | <u>(26,974)</u> |
| Excess (Deficiency) of Revenue Over (Under) Expenditures | (18,157) | (37,187) | (8,077) | 29,110 |
| Fund Balance - January 1, 2007 | <u>20,953</u> | <u>40,953</u> | <u>46,730</u> | <u>5,777</u> |
| Fund Balance - December 31, 2007 | <u>\$ 2,796</u> | <u>\$ 3,766</u> | <u>\$ 38,654</u> | <u>\$ 34,887</u> |

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2007**

| | Budget | | 2007 | Variance |
|---|-------------------|-------------------|---------------------|-------------------------|
| | Original | Final | Actual | Over (Under) |
| <u>PUBLIC WORKS</u> | | | | |
| Liquid Fuels | | | | |
| Revenues | | | | |
| Intergovernmental | \$ 4,150,000 | \$ 4,150,000 | \$ 2,754,210 | \$ (1,395,790) |
| Departmental Earnings | 21,750 | 21,750 | 23,178 | 1,428 |
| Interest | 40,000 | 40,000 | 56,889 | 16,889 |
| Total Revenues | <u>4,211,750</u> | <u>4,211,750</u> | <u>2,834,277</u> | <u>(1,377,473)</u> |
| Expenditures | | | | |
| Salaries & Benefits | 48,327 | 48,327 | 45,495 | (2,832) |
| Personnel Expense | 518 | 518 | 18 | (500) |
| Consultant/Contracted Svcs. | 185,000 | 128,407 | 36,811 | (91,596) |
| Communication | 3,000 | 2,000 | 619 | (1,381) |
| Supplies & Minor Equip. | 15,570 | 15,570 | 6,468 | (9,102) |
| Transportation | 6,000 | 6,000 | 2,020 | (3,980) |
| Other Expenditures | 226,000 | 269,860 | 257,905 | (11,955) |
| Infrastructure | 3,850,000 | 4,033,958 | 2,189,277 | (1,844,681) |
| Capital Outlay | 50,000 | 53,000 | 51,690 | (1,310) |
| Total Expenditures | <u>4,384,415</u> | <u>4,557,640</u> | <u>2,590,304</u> | <u>(1,967,336)</u> |
| Excess (Deficiency) of Revenue Over (Under) Expenditures | (172,665) | (345,890) | 243,973 | 589,863 |
| Fund Balance - January 1, 2007 | <u>1,120,000</u> | <u>1,120,000</u> | <u>1,418,329</u> | <u>298,329</u> |
| Fund Balance - December 31, 2007 | <u>\$ 947,335</u> | <u>\$ 774,110</u> | <u>\$ 1,662,302</u> | <u>\$ 888,192</u> |

County of Beaver, Pennsylvania

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

SPECIAL REVENUES FUND

Year Ended December 31, 2007

| | <u>Budget</u> | | <u>2007</u> | <u>Variance</u> |
|---|------------------|------------------|---------------------|---------------------|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | <u>Over</u> |
| | | | | <u>(Under)</u> |
| <u>HUMAN SERVICES</u> | | | | |
| Office on Aging | | | | |
| Revenues | | | | |
| Intergovernmental | \$ 5,809,287 | \$ 5,809,287 | \$ 4,577,085 | \$ (1,232,202) |
| Departmental Earnings | 62,050 | 62,050 | 77,545 | 15,495 |
| Interest and Rents | 28,000 | 28,000 | 63,851 | 35,851 |
| Total Revenues | <u>5,899,337</u> | <u>5,899,337</u> | <u>4,718,481</u> | <u>(1,180,856)</u> |
| Expenditures | | | | |
| Reimbursement to State | 60,000 | 160,000 | 149,320 | (10,680) |
| Salaries & Benefits | 2,450,337 | 2,450,337 | 2,086,384 | (363,953) |
| Personnel Expense | 31,738 | 30,738 | 14,507 | (16,231) |
| Consultant/Contracted Svcs. | 238,000 | 238,000 | 70,636 | (167,364) |
| Sub Contracted Services | 3,000,000 | 2,897,000 | 1,991,205 | (905,795) |
| Occupancy | 192,719 | 193,722 | 125,806 | (67,916) |
| Communication | 47,000 | 47,000 | 29,413 | (17,587) |
| Supplies & Minor Equip. | 120,500 | 145,497 | 76,323 | (69,174) |
| Transportation | 28,000 | 28,000 | 20,558 | (7,442) |
| Other Expenditures | 104,043 | 104,043 | 93,561 | (10,482) |
| Capital Outlay | 60,000 | 35,000 | - | (35,000) |
| Total Expenditures | <u>6,332,337</u> | <u>6,329,337</u> | <u>4,657,713</u> | <u>(1,671,624)</u> |
| Excess (Deficiency) of Revenue Over (Under)Expenditures | (433,000) | (430,000) | 60,768 | 490,768 |
| Fund Balance - January 1, 2007 | <u>485,500</u> | <u>485,500</u> | <u>1,040,737</u> | <u>555,237</u> |
| Fund Balance - December 31, 2007 | <u>\$ 52,500</u> | <u>\$ 55,500</u> | <u>\$ 1,101,505</u> | <u>\$ 1,046,005</u> |

County of Beaver, Pennsylvania

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

SPECIAL REVENUES FUND

Year Ended December 31, 2007

| | <u>Budget</u> | | <u>2007</u> | <u>Variance</u> |
|---|------------------|------------------|------------------|------------------|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | <u>Over</u> |
| HUMAN SERVICES | | | | <u>(Under)</u> |
| Childcare Resource Management | | | | |
| Revenues | | | | |
| Intergovernmental | \$ 6,555,591 | \$ 8,085,113 | \$ 8,147,673 | \$ 62,560 |
| Interest | 18,000 | 24,600 | 21,274 | (3,326) |
| Total Revenues | <u>6,573,591</u> | <u>8,109,713</u> | <u>8,168,947</u> | <u>59,234</u> |
| Expenditures | | | | |
| Reimbursement to State | - | 40,000 | 18,247 | (21,753) |
| Salaries & Benefits | 617,979 | 628,006 | 524,912 | (103,094) |
| Personnel Expense | 6,800 | 6,800 | 1,166 | (5,634) |
| Consultant/Contracted Svcs. | 22,500 | 22,500 | 5,323 | (17,177) |
| Sub Contracted Services | 5,970,000 | 7,506,122 | 7,366,938 | (139,184) |
| Occupancy | 77,000 | 80,950 | 58,522 | (22,428) |
| Communication | 33,600 | 31,100 | 16,846 | (14,254) |
| Supplies & Minor Equip. | 59,000 | 59,000 | 32,790 | (26,210) |
| Transportation | 6,000 | 6,000 | 3,148 | (2,852) |
| Other Expenditures | 131,611 | 131,611 | 104,916 | (26,695) |
| Capital Outlay | 60,000 | 60,000 | 19,573 | (40,427) |
| Total Expenditures | <u>6,984,490</u> | <u>8,572,089</u> | <u>8,152,381</u> | <u>(419,708)</u> |
| Excess (Deficiency) of Revenue Over (Under) Expenditures | (410,899) | (462,376) | 16,566 | 478,942 |
| Fund Balance - January 1, 2007 | <u>500,000</u> | <u>500,000</u> | <u>65,703</u> | <u>(434,297)</u> |
| Fund Balance - December 31, 2007 | <u>\$ 89,101</u> | <u>\$ 37,624</u> | <u>\$ 82,269</u> | <u>\$ 44,645</u> |

County of Beaver, Pennsylvania

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

SPECIAL REVENUES FUND

Year Ended December 31, 2007

| | Budget | | 2007 | Variance |
|---|------------------|-------------------|------------------|-------------------------|
| | Original | Final | Actual | Over (Under) |
| <u>RECREATION</u> | | | | |
| Tourist Promotion | | | | |
| Revenues | | | | |
| Intergovernmental | \$ 47,073 | \$ 47,073 | \$ 31,705 | \$ (15,368) |
| Departmental Earnings | 5,250 | 5,250 | 8,523 | 3,273 |
| Local Hotel Room Tax | 190,000 | 190,000 | 228,852 | 38,852 |
| Interest | 25 | 25 | 235 | 210 |
| Total Revenues | <u>242,348</u> | <u>242,348</u> | <u>269,316</u> | <u>26,968</u> |
| Expenditures | | | | |
| Salaries & Benefits | 86,622 | 91,593 | 81,230 | (10,363) |
| Personnel Expense | 3,800 | 3,090 | 2,930 | (160) |
| Consultant/Contracted Svcs. | 4,000 | 20,800 | 18,960 | (1,840) |
| Communication | 105,700 | 117,972 | 126,369 | 8,397 |
| Supplies & Minor Equip. | 3,000 | 2,754 | 2,492 | (262) |
| Transportation | 6,000 | 6,829 | 6,702 | (127) |
| Other Expenditures | 17,450 | 36,278 | 35,027 | (1,251) |
| Capital Outlay | 15,400 | 5,361 | 4,970 | (391) |
| Total Expenditures | <u>241,972</u> | <u>284,677</u> | <u>278,680</u> | <u>(5,997)</u> |
| Excess (Deficiency) of Revenue Over (Under) Expenditures | 376 | (42,329) | (9,364) | 32,965 |
| Fund Balance - January 1, 2007 | <u>40,000</u> | <u>40,000</u> | <u>95,916</u> | <u>55,916</u> |
| Fund Balance - December 31, 2007 | <u>\$ 40,376</u> | <u>\$ (2,329)</u> | <u>\$ 86,552</u> | <u>\$ 88,881</u> |

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND**

For the Year Ended December 31, 2007

| | <u>Budget</u> | | <u>2007</u> | <u>Variance</u> |
|---|-------------------|--------------------|----------------|-------------------------|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | <u>Over (Under)</u> |
| <u>CAPITAL PROJECTS</u> | | | | |
| 2005 Capital Bond | | | | |
| Revenues | | | | |
| Intergovernmental | \$ 232,000 | \$ 232,000 | \$ 164,922 | \$ (67,078) |
| Interest | 8,000 | 8,000 | 11,095 | 3,095 |
| Total Revenues | <u>240,000</u> | <u>240,000</u> | <u>176,017</u> | <u>(63,983)</u> |
| Expenditures | | | | |
| Capital Outlay | - | 196,603 | 86,971 | (109,632) |
| Infrastructure | 464,000 | 592,968 | 454,737 | (138,231) |
| Total Expenditures | <u>464,000</u> | <u>789,571</u> | <u>541,708</u> | <u>(247,863)</u> |
| Excess (Deficiency) of Revenue Over (Under) Expenditures | (224,000) | (549,571) | (365,691) | 183,880 |
| Fund Balance - January 1, 2007 | <u>350,000</u> | <u>498,078</u> | <u>365,691</u> | <u>(132,387)</u> |
| Fund Balance - December 31, 2007 | <u>\$ 126,000</u> | <u>\$ (51,493)</u> | <u>\$ -</u> | <u>\$ 51,493</u> |

County of Beaver, Pennsylvania

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

CAPITAL PROJECTS FUND

Year Ended December 31, 2007

| | Budget | | 2007 | Variance |
|--|-----------------|----------------|-----------------|-------------------------|
| | Original | Final | Actual | Over (Under) |
| <u>CAPITAL PROJECTS</u> | | | | |
| <u>FAA Projects</u> | | | | |
| Revenues | | | | |
| Intergovernmental | \$ 148,028 | \$ 148,028 | \$ 51,276 | \$ (96,752) |
| Interest | 24,926 | 24,926 | 93 | (24,833) |
| Total Revenues | <u>172,954</u> | <u>172,954</u> | <u>51,369</u> | <u>(121,585)</u> |
| Expenditures | | | | |
| Communication | - | - | 2,583 | 2,583 |
| Capital Outlay | 21,934 | 21,934 | - | (21,934) |
| Infrastructure | <u>158,520</u> | <u>158,520</u> | <u>54,859</u> | <u>(103,661)</u> |
| Total Expenditures | <u>180,454</u> | <u>180,454</u> | <u>57,442</u> | <u>(123,012)</u> |
| Excess (Deficiency) Revenue Over (Under) Expenditures | (7,500) | (7,500) | (6,073) | 1,427 |
| Fund Balance - January 1, 2007 | <u>7,500</u> | <u>7,500</u> | <u>7,138</u> | <u>(362)</u> |
| Fund Balance - December 31, 2007 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,066</u> | <u>\$ (362)</u> |

EXHIBIT F (PAGE 2 OF 2)

County of Beaver, Pennsylvania

**COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
December 31, 2007**

| | <u>Medical Fund</u> | <u>Workers' Compensation Fund</u> | <u>Total</u> |
|---------------------------|-------------------------|---|-----------------------|
| ASSETS | | | |
| Current assets: | | | |
| Cash and Cash Equivalents | \$ 38,020 | \$ 41,363 | \$ 79,384 |
| Receivables | 14,291 | 20,053 | 34,344 |
| Prepaid Expenses | 71,330 | - | 71,330 |
| Total current assets | <u>123,641</u> | <u>61,416</u> | <u>185,058</u> |
| TOTAL ASSETS | <u>\$ 123,641</u> | <u>\$ 61,416</u> | <u>\$ 185,058</u> |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts Payable | \$ 241,777 | \$ 40,594 | \$ 282,371 |
| Accrued Employee Benefits | 375,658 | 487,188 | 862,846 |
| Due to Other Funds | 116,000 | 230,000 | 346,000 |
| Total current liabilities | <u>733,435</u> | <u>757,782</u> | <u>1,491,217</u> |
| TOTAL LIABILITIES | <u>733,435</u> | <u>757,782</u> | <u>1,491,217</u> |
| NET ASSETS | | | |
| Unrestricted | <u>(609,794)</u> | <u>(696,366)</u> | <u>(1,306,160)</u> |
| TOTAL NET ASSETS | <u>\$ (609,794)</u> | <u>\$ (696,366)</u> | <u>\$ (1,306,160)</u> |

County of Beaver, Pennsylvania

**COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS**

For the Year Ended December 31, 2007

| | <u>Medical Fund</u> | <u>Workers' Compensation Fund</u> | <u>Total</u> |
|--|-------------------------|---|-----------------------|
| OPERATING REVENUES | | | |
| Charges for Services | \$ 7,088,269 | \$ 1,315,272 | \$ 8,403,541 |
| OPERATING EXPENSES | | | |
| Costs of Services | 7,117,627 | 696,348 | 7,813,975 |
| Administrative | 157,026 | 524,214 | 681,240 |
| Total Operating Expenses | <u>7,274,653</u> | <u>1,220,562</u> | <u>8,495,215</u> |
| OPERATING INCOME (LOSS) | (186,384) | 94,710 | (91,674) |
| NON-OPERATING REVENUES (EXPENSES) | | | |
| Investment Income | <u>5,214</u> | <u>521</u> | <u>5,736</u> |
| Total Non-Operating Revenue (Expense) | <u>5,214</u> | <u>521</u> | <u>5,736</u> |
| Income (Loss) Before Transfers | (181,169) | 95,231 | (85,938) |
| Change in net assets | (181,169) | 95,231 | (85,938) |
| Total net assets - beginning | <u>(428,624)</u> | <u>(791,597)</u> | <u>(1,220,221)</u> |
| Total net assets - ending | <u>\$ (609,794)</u> | <u>\$ (696,366)</u> | <u>\$ (1,306,160)</u> |

County of Beaver, Pennsylvania

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2007**

| | Medical Fund | Workers' Compensation Fund | Total |
|---|-------------------------|---|--------------|
| Cash Flows from Operating Activities: | | | |
| Cash receipts for services provided | \$ 7,276,715 | \$ 1,360,916 | \$ 8,637,631 |
| Cash payments to suppliers | (7,355,851) | (1,347,404) | (8,703,255) |
| Net Cash Provided by Operating Activities | (79,136) | 13,512 | (65,624) |
| Cash Flows from Investing Activities: | | | |
| Investment income | 5,214 | 521 | 5,735 |
| Net Cash Provided by (Used in) Investing Activities | 5,214 | 521 | 5,735 |
| Net increase (decrease) in cash and cash equivalents | (73,922) | 14,033 | (59,889) |
| Cash and cash equivalents at beginning of year | 111,942 | 27,330 | 139,272 |
| Cash and cash equivalents at end of year | \$ 38,020 | \$ 41,363 | \$ 79,383 |
| Reconciliation of Operating Loss to Net Cash Provided by Operating Activities: | | | |
| Operating Income (Loss) | \$ (186,384) | \$ 94,710 | \$ (91,674) |
| Change in operating assets and liabilities: | | | |
| Accounts receivable and due from other funds | 188,446 | 45,644 | 234,090 |
| Prepaid expenses | (32,717) | - | (32,717) |
| Accounts payable and due to other funds | 127,028 | 98,201 | 225,229 |
| Accrued liabilities | (175,509) | (225,043) | (400,552) |
| Net Cash Provided by (Used In) Operating Activities | \$ (79,136) | \$ 13,512 | \$ (65,624) |

County of Beaver, Pennsylvania

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS**

For the Year Ended December 31, 2007

| | <u>Balance January 1, 2007</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance December 31, 2007</u> |
|--|--|-------------------|-------------------|--|
| Clerk of Courts | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 274,865 | 2,434,207 | 2,541,093 | \$ 167,979 |
| | <u>274,865</u> | <u>2,434,207</u> | <u>2,541,093</u> | <u>167,979</u> |
| LIABILITIES | | | | |
| Accounts Payable | 254,759 | 2,417,152 | 2,520,987 | 150,924 |
| Due to Other Funds | 20,106 | 17,055 | 20,106 | 17,055 |
| | <u>\$ 274,865</u> | <u>2,434,207</u> | <u>2,541,093</u> | <u>\$ 167,979</u> |
| Domestic Relations - Support Payments | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 16,299 | 482,352 | 424,029 | \$ 74,622 |
| | <u>16,299</u> | <u>482,352</u> | <u>424,029</u> | <u>74,622</u> |
| LIABILITIES | | | | |
| Accounts Payable | 16,299 | 482,352 | 424,029 | 74,622 |
| | <u>\$ 16,299</u> | <u>482,352</u> | <u>424,029</u> | <u>\$ 74,622</u> |
| Other Escrow | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 283,584 | 722,851 | 838,599 | \$ 167,836 |
| Investments | 280,674 | 17,175 | - | 297,849 |
| Accounts Receivable | 1,287 | 1,732 | 1,288 | 1,731 |
| | <u>565,545</u> | <u>741,758</u> | <u>839,887</u> | <u>467,416</u> |
| LIABILITIES | | | | |
| Accounts Payable | 565,545 | 741,758 | 839,887 | 467,416 |
| | <u>\$ 565,545</u> | <u>741,758</u> | <u>839,887</u> | <u>\$ 467,416</u> |
| Recorder of Deeds | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 359,609 | 11,307,641 | 11,411,313 | \$ 255,937 |
| Accounts Receivable - State | 2,892 | 2,246 | - | 5,138 |
| | <u>362,501</u> | <u>11,309,887</u> | <u>11,411,313</u> | <u>261,075</u> |
| LIABILITIES | | | | |
| Accounts Payable | 356,057 | 11,304,049 | 11,404,869 | 255,237 |
| Due to Other Funds | 6,444 | 5,838 | 6,444 | 5,838 |
| | <u>\$ 362,501</u> | <u>11,309,887</u> | <u>11,411,313</u> | <u>\$ 261,075</u> |
| Register of Wills | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 138,981 | 7,965,485 | 7,979,239 | \$ 125,227 |
| Accounts Receivable - State | 4,281 | 7,724 | 4,281 | 7,724 |
| | <u>143,262</u> | <u>7,973,209</u> | <u>7,983,520</u> | <u>132,951</u> |
| LIABILITIES | | | | |
| Accounts Payable | 143,262 | 7,973,209 | 7,983,520 | 132,951 |
| | <u>\$ 143,262</u> | <u>7,973,209</u> | <u>7,983,520</u> | <u>\$ 132,951</u> |

County of Beaver, Pennsylvania

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS**

For the Year Ended December 31, 2007

| | Balance January 1, 2007 | Additions | Deductions | Balance December 31, 2007 |
|-----------------------------|--|-------------------|-------------------|--|
| Sheriff | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 340,272 | 3,720,464 | 3,672,429 | \$ 388,307 |
| | <u>340,272</u> | <u>3,720,464</u> | <u>3,672,429</u> | <u>388,307</u> |
| LIABILITIES | | | | |
| Accounts Payable | 340,272 | 3,720,464 | 3,672,429 | 388,307 |
| | <u>\$ 340,272</u> | <u>3,720,464</u> | <u>3,672,429</u> | <u>\$ 388,307</u> |
| Prothonotary | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 127,238 | 867,145 | 886,502 | \$ 107,881 |
| | <u>127,238</u> | <u>867,145</u> | <u>886,502</u> | <u>107,881</u> |
| LIABILITIES | | | | |
| Accounts Payable | 126,033 | 865,720 | 885,297 | 106,456 |
| Due to Other Funds | 1,205 | 1,425 | 1,205 | 1,425 |
| | <u>\$ 127,238</u> | <u>867,145</u> | <u>886,502</u> | <u>\$ 107,881</u> |
| Tax Claims | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 2,466,456 | 11,887,476 | 12,355,200 | \$ 1,998,732 |
| | <u>2,466,456</u> | <u>11,887,476</u> | <u>12,355,200</u> | <u>1,998,732</u> |
| LIABILITIES | | | | |
| Accounts Payable | 2,466,456 | 11,887,476 | 12,355,200 | 1,998,732 |
| | <u>\$ 2,466,456</u> | <u>11,887,476</u> | <u>12,355,200</u> | <u>\$ 1,998,732</u> |
| Treasurer | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 29,493 | 278,601 | 275,539 | \$ 32,555 |
| | <u>29,493</u> | <u>278,601</u> | <u>275,539</u> | <u>32,555</u> |
| LIABILITIES | | | | |
| Accounts Payable | 29,493 | 278,601 | 275,539 | 32,555 |
| | <u>\$ 29,493</u> | <u>278,601</u> | <u>275,539</u> | <u>\$ 32,555</u> |
| Total - Agency Funds | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 4,036,797 | 39,666,222 | 40,383,943 | \$ 3,319,076 |
| Investments | 280,674 | 17,175 | - | 297,849 |
| Accounts Receivable | 1,287 | 1,732 | 1,288 | 1,731 |
| Accounts Receivable - State | 7,173 | 9,970 | 4,281 | 12,862 |
| | <u>4,325,931</u> | <u>39,695,099</u> | <u>40,389,512</u> | <u>3,631,518</u> |
| LIABILITIES | | | | |
| Accounts Payable | 4,298,176 | 39,670,781 | 40,361,757 | 3,607,200 |
| Due to Other Funds | 27,755 | 24,318 | 27,755 | 24,318 |
| | <u>\$ 4,325,931</u> | <u>39,695,099</u> | <u>40,389,512</u> | <u>\$ 3,631,518</u> |

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STATISTICAL SECTION

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Statistical Section

This part of the County of Beaver, Pennsylvania's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about Beaver County's overall financial health.

Contents

Page(s)

Financial Trends

S1-S7

These schedules contain trend information to help the reader understand how the County's financial position and well-being have changed over time.

Revenue Capacity

S8-S11

These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.

Debt Capacity

S12-S16

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt.

Economic and Demographic Information

S17-S18

These schedules offer economic and demographic indicators to help the reader understand the environment within which the County's financial activities take place.

Operating Information

S19-S23

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

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County of Beaver, Pennsylvania
Net Assets by Component
Last Six Years
(accrual basis of accounting)

| | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Governmental Activities | | | | | | |
| Invested in Capital Assets, Net of Related Debt | \$ 9,354,708 | \$ 9,179,985 | \$ (5,815,883) | \$ 3,333,611 | \$ 1,137,967 | \$ 3,203,947 |
| Unrestricted | (12,062,442) | (12,886,891) | (2,991,638) | (6,127,682) | 863,707 | 4,499,575 |
| <i>Total Governmental Activities Net Assets</i> | <u>(2,707,734)</u> | <u>(3,706,906)</u> | <u>(8,807,521)</u> | <u>(2,794,071)</u> | <u>2,001,674</u> | <u>7,703,522</u> |
| Business-type Activities | | | | | | |
| Invested in Capital Assets, Net of Related Debt | 8,526,775 | 9,146,273 | 9,230,260 | 8,564,335 | 8,882,470 | 8,273,789 |
| Restricted | 11,970,526 | 9,732,190 | 7,815,415 | 7,146,922 | 7,127,610 | 11,901,724 |
| Unrestricted | 5,818,575 | 6,990,875 | 4,453,838 | 3,994,352 | 5,890,931 | 10,981,605 |
| <i>Total Business-type Activities Net Assets</i> | <u>26,315,876</u> | <u>25,869,338</u> | <u>21,499,513</u> | <u>19,705,609</u> | <u>21,901,011</u> | <u>31,157,118</u> |
| Primary government | | | | | | |
| Invested in Capital Assets, Net of Related Debt | 17,881,483 | 18,326,258 | 3,414,377 | 11,897,946 | 10,020,437 | 11,477,736 |
| Restricted | 11,970,526 | 9,732,190 | 7,815,415 | 7,146,922 | 7,127,610 | 11,901,724 |
| Unrestricted | (6,243,867) | (5,896,016) | 1,462,200 | (2,133,330) | 6,754,638 | 15,481,180 |
| <i>Total Primary Government Net Assets</i> | <u>\$ 23,608,142</u> | <u>\$ 22,162,432</u> | <u>\$ 12,691,992</u> | <u>\$ 16,911,538</u> | <u>\$ 23,902,685</u> | <u>\$ 38,860,640</u> |

Note: Prior to 2002, records were not compiled in accordance with GASB 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments." Therefore, information prior to 2002 is not available for presentation.

County of Beaver, Pennsylvania
Changes in Net Assets
Last Six Years
(accrual basis of accounting)

| | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Program Revenues | | | | | | |
| Governmental Activities: | | | | | | |
| Fees and Charges: | | | | | | |
| General Government | \$ 7,912,438 | \$ 7,247,343 | \$ 6,501,784 | \$ 6,747,064 | \$ 6,458,387 | \$ 6,007,415 |
| Judicial | 346,304 | 316,087 | 300,717 | 303,751 | 275,774 | 298,890 |
| Public Safety | - | - | - | - | 1,790 | - |
| Public Works and Enterprises | 260,553 | 670,536 | 754,864 | 776,312 | 648,922 | 610,169 |
| Culture, Recreation, and Conservation | - | - | - | - | - | - |
| Human Services | 1,244,744 | 774,607 | 1,276,100 | 1,274,498 | 1,394,925 | 1,196,109 |
| Economic Development | 476,730 | 429,784 | - | - | - | - |
| Miscellaneous | 1,435,432 | 1,168,842 | 1,741,876 | 2,443,662 | 1,681,590 | 1,827,143 |
| Operating Grants and Contributions | 77,284,833 | 76,456,596 | 76,832,424 | 74,330,497 | 70,375,916 | 63,124,529 |
| Capital Grants and Contributions | - | - | - | - | - | - |
| Total Governmental Activities Program Revenues | 88,961,034 | 87,063,795 | 87,407,765 | 85,875,784 | 80,837,304 | 73,064,255 |
| Business-type Activities: | | | | | | |
| Fees and Charges: | | | | | | |
| Friendship Ridge | 51,730,038 | 49,249,600 | 48,574,177 | 45,586,326 | 41,044,373 | 39,690,062 |
| Emergency Services | 1,315,659 | 1,644,239 | 1,472,638 | 1,435,183 | 1,512,831 | 1,492,892 |
| HealthChoices | 24,707,769 | 22,040,751 | 19,945,731 | 16,769,458 | 10,742,058 | 10,583,092 |
| Operating Grants and Contributions | 1,622,282 | 1,660,497 | 963,108 | - | - | - |
| Total Business-type Activities Program Revenues | 79,375,748 | 74,595,087 | 70,955,654 | 63,790,967 | 53,299,262 | 51,766,046 |
| Total Primary Government Program Revenues | 168,336,782 | 161,658,882 | 158,363,419 | 149,666,751 | 134,136,566 | 124,830,301 |
| Expenses | | | | | | |
| Governmental Activities: | | | | | | |
| General Government | 10,638,416 | 14,438,453 | 16,606,678 | 10,896,002 | 9,267,579 | 10,109,241 |
| Judicial | 13,116,223 | 13,530,585 | 13,030,383 | 12,972,500 | 13,136,088 | 12,259,262 |
| Public Safety | 11,031,994 | 13,925,640 | 12,851,354 | 12,186,450 | 13,236,526 | 11,840,973 |
| Public Works and Enterprises | 4,886,450 | 4,992,021 | 14,224,464 | 13,401,626 | 14,428,990 | 14,271,672 |
| Culture, Recreation, and Conservation | 3,235,547 | 2,981,813 | 2,905,154 | 3,040,058 | 3,536,393 | 3,349,113 |
| Human Services | 71,619,963 | 62,830,600 | 65,027,441 | 67,919,948 | 61,905,388 | 56,843,130 |
| Economic Development | 9,687,518 | 8,073,719 | - | - | - | - |
| Miscellaneous | - | - | 1,259,430 | 501,769 | 795,143 | 592,953 |
| Interest Expense | 5,464,151 | 4,454,056 | 4,537,621 | 3,951,019 | 3,845,322 | 3,922,308 |
| Total Governmental Activities Expenses | 129,680,262 | 125,226,887 | 130,442,525 | 124,869,372 | 120,151,429 | 113,188,652 |
| Business-Type Activities: | | | | | | |
| Friendship Ridge | 52,609,529 | 48,981,202 | 48,687,662 | 47,414,926 | 45,550,629 | 41,598,201 |
| Emergency Services | 2,905,978 | 1,647,499 | 1,451,371 | 1,473,907 | 1,668,613 | 1,908,355 |
| HealthChoices | 23,033,731 | 20,652,039 | 18,781,499 | 16,835,814 | 15,595,080 | 11,432,082 |
| Interest Expense | - | - | - | - | - | 251,026 |
| Total Business-type Activities Expenses | 78,549,238 | 71,280,740 | 68,920,532 | 65,724,647 | 62,814,322 | 55,189,664 |
| Total Primary Government Expenses | \$ 208,229,500 | \$ 196,507,627 | \$ 199,363,057 | \$ 190,594,019 | \$ 182,965,751 | \$ 168,378,316 |

County of Beaver, Pennsylvania

Changes in Net Assets (continued)

Last Six Years

(accrual basis of accounting)

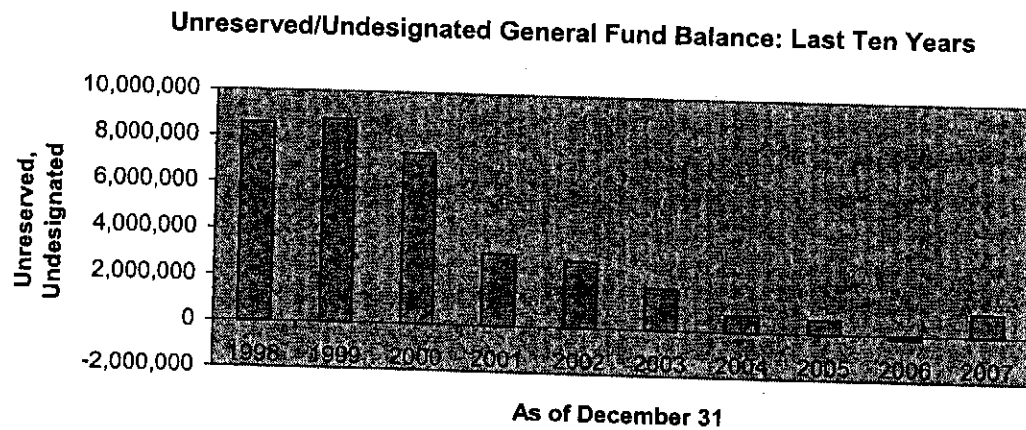
| | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Net (Expense)/Revenue | | | | | | |
| Governmental Activities | \$ (40,719,225) | \$ (38,163,092) | \$ (43,034,760) | \$ (38,993,588) | \$ (39,314,125) | \$ (40,124,397) |
| Business-type Activities | 826,510 | 3,314,347 | 2,035,122 | (1,933,680) | (9,515,060) | (3,423,618) |
| Total Primary Government Net Expense | \$ (39,892,715) | \$ (34,848,745) | \$ (40,999,638) | \$ (40,927,268) | \$ (48,829,185) | \$ (43,548,015) |
| General Revenues and Other Changes in Net Assets | | | | | | |
| Governmental Activities: | | | | | | |
| Real Estate Taxes | \$ 38,995,721 | \$ 34,994,052 | \$ 35,870,725 | \$ 32,991,875 | \$ 32,828,964 | \$ 31,172,720 |
| Investment Income (Loss) | 2,138,290 | (7,553,763) | 1,180,297 | 829,642 | 987,180 | 1,344,331 |
| Gain (Loss) on Sale of Capital Assets | - | (135,934) | 333,590 | (6,667) | (95,726) | 700,010 |
| Transfers | 584,386 | (336,607) | (363,301) | 382,993 | (108,140) | (121,747) |
| Total Governmental Activities | 41,718,397 | 26,967,748 | 37,021,311 | 34,197,843 | 33,612,278 | 33,095,314 |
| Business-type Activities: | | | | | | |
| Investment Earnings | 758,318 | 675,349 | 317,265 | 110,890 | 145,763 | 340,188 |
| Unrestricted Gifts | 36,094 | 43,523 | 8,253 | 10,381 | 5,050 | 13,011 |
| Transfers | (584,386) | 336,607 | 363,301 | (382,993) | 108,140 | 121,747 |
| Total Business-type Activities | 210,026 | 1,055,479 | 688,819 | (261,722) | 258,953 | 474,946 |
| Total Primary Government | 41,928,423 | 28,023,227 | 37,710,130 | 33,936,121 | 33,871,231 | 33,570,260 |
| Change in Net Assets | | | | | | |
| Governmental Activities | 999,172 | (11,195,344) | (6,013,449) | (4,795,745) | (5,701,847) | (7,029,083) |
| Business-type Activities | 1,036,536 | 4,369,827 | 2,723,941 | (2,195,402) | (9,256,107) | (2,948,672) |
| Total Primary Government Change in Net Assets | \$ 2,035,708 | \$ (6,825,517) | \$ (3,289,508) | \$ (6,991,147) | \$ (14,957,954) | \$ (9,977,755) |

Note:

Prior to 2002, records were not compiled in accordance with GASB 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments." Therefore, information prior to 2002 is not available for presentation.

County of Beaver, Pennsylvania
Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

| | 2007 | 2006 | 2005 | 2004 | 2003 |
|---|----------------------|---------------------|---------------------|---------------------|----------------------|
| General Fund | | | | | |
| Unreserved, Designated | \$ 66,901 | \$ - | \$ 41,231 | \$ 17,605 | \$ 191,216 |
| Unreserved, Undesignated | 1,311,137 | (142,447) | 622,378 | 746,179 | 1,830,759 |
| Total General Fund | 1,378,038 | (142,447) | 663,609 | 763,784 | 2,021,975 |
| All Other Governmental Funds | | | | | |
| Unreserved, Designated | 1,332,155 | 1,301,740 | 1,290,257 | 327,272 | 510,988 |
| Unreserved, Reported in: | | | | | |
| Special Revenue funds | 4,597,378 | 4,835,823 | 3,971,923 | 4,994,567 | 5,170,375 |
| Capital Projects funds | 2,866,916 | 372,830 | 1,236,854 | 1,560,857 | 4,108,710 |
| Total All Other Governmental Funds | 8,796,449 | 6,510,393 | 6,499,034 | 6,882,696 | 9,790,073 |
| Total Governmental Funds | <u>\$ 10,174,488</u> | <u>\$ 6,367,946</u> | <u>\$ 7,162,643</u> | <u>\$ 7,646,480</u> | <u>\$ 11,812,048</u> |

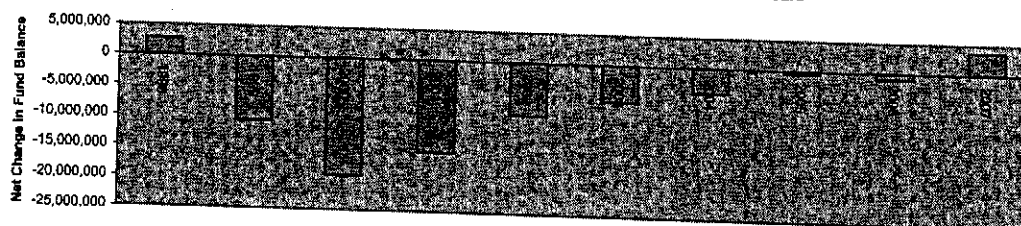


| 2002 | 2001 | 2000 | 1999 | 1998 |
|---------------|---------------|---------------|---------------|---------------|
| \$ 112,070 | \$ 225,831 | \$ 205,455 | \$ 458,788 | \$ 623,783 |
| 2,899,572 | 3,126,153 | 7,363,383 | 8,772,703 | 8,571,414 |
| 3,011,642 | 3,351,984 | 7,568,838 | 9,231,491 | 9,195,197 |
| 2,044,801 | 5,512,979 | 14,831,737 | 32,544,677 | 4,666,159 |
| 4,413,357 | 7,605,297 | 8,728,193 | 8,603,217 | 6,201,175 |
| 8,408,756 | 8,488,543 | 10,076,444 | 10,124,753 | 51,065,027 |
| 14,866,914 | 21,606,819 | 33,636,374 | 51,272,647 | 61,932,361 |
| \$ 17,878,556 | \$ 24,958,803 | \$ 41,205,212 | \$ 60,504,138 | \$ 71,127,558 |

County of Beaver, Pennsylvania
Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

| | 2007 | 2006 | 2005 | 2004 | 2003 |
|---|---------------------|-----------------------|---------------------|-----------------------|-----------------------|
| Revenues | | | | | |
| Real Estate Taxes | \$ 38,494,475 | \$ 35,752,456 | \$ 35,317,573 | \$ 32,890,800 | \$ 32,798,112 |
| Licenses and Permits | 97,652 | 71,623 | 72,633 | 77,137 | 120,258 |
| Interest and Rents | 1,707,464 | 1,224,703 | 1,174,688 | 828,021 | 984,415 |
| Intergovernmental | 79,040,944 | 75,512,509 | 78,860,749 | 71,617,067 | 70,025,840 |
| Charges for Services and Facilities | 9,914,265 | 9,157,130 | 5,840,710 | 6,014,249 | 6,190,617 |
| Local Hotel Room Tax | 228,852 | 209,604 | - | - | - |
| Project Income | - | - | 2,920,122 | 3,010,237 | 2,558,023 |
| Miscellaneous | 1,435,432 | 1,168,842 | 1,875,861 | 2,443,662 | 1,681,517 |
| Total Revenues | 130,919,084 | 123,096,867 | 126,062,336 | 116,881,173 | 114,358,782 |
| Expenditures | | | | | |
| Current: | | | | | |
| General Government | 9,512,670 | 13,374,579 | 18,249,926 | 9,420,239 | 9,026,172 |
| Judicial | 12,775,641 | 13,039,493 | 15,965,270 | 12,689,128 | 12,557,536 |
| Public Safety | 10,337,538 | 12,602,316 | 16,764,923 | 11,347,406 | 12,176,861 |
| Public Works and Enterprises | 3,495,004 | 3,500,517 | 14,218,880 | 12,675,793 | 13,666,279 |
| Culture, Recreation and Conservation | 2,977,581 | 2,686,344 | 3,230,307 | 2,803,330 | 3,250,341 |
| Economic Development | 9,624,288 | 8,000,366 | - | - | - |
| Human Services | 70,916,823 | 62,381,096 | 65,006,281 | 66,354,133 | 61,068,794 |
| Miscellaneous (a) | - | - | 1,259,430 | 501,769 | 795,143 |
| Capital Outlay-Infrastructure | 2,713,748 | 2,150,860 | 3,207,525 | 167,902 | 245,318 |
| Capital Outlay-Asset Acquisition and Improvements | 1,398,789 | 2,573,437 | 2,821,743 | 1,156,853 | 2,990,460 |
| Refunding Bond Issuance Costs | 933,619 | 309,351 | - | - | - |
| Debt service: | | | | | |
| Principal | 2,659,767 | 1,132,235 | 2,000,909 | 1,900,436 | 801,544 |
| Interest | 5,237,624 | 2,324,349 | 3,938,028 | 3,791,049 | 3,878,269 |
| Bond Issuance Costs | 54,853 | - | - | - | 92,282 |
| Total Expenditures | 132,637,945 | 124,074,943 | 146,663,222 | 122,808,038 | 120,548,999 |
| Excess of Revenues Over (Under) Expenditures | (1,718,861) | (978,076) | (20,600,886) | (5,926,865) | (6,190,217) |
| Other Financing Sources (Uses) | | | | | |
| Sale of Capital Assets | - | - | 700,000 | - | - |
| Capital Leases | 329,409 | - | - | - | - |
| Payment to Refunded Bonds Escrow Agent | (58,125,000) | (8,678,280) | - | - | (5,132,414) |
| Proceeds from Basis Cap | - | - | - | - | - |
| Proceeds of Bonds | 3,289,430 | - | 19,780,350 | 1,378,305 | - |
| Issuance of Refunding Debt | 59,655,000 | 9,050,000 | - | - | 5,375,000 |
| Swaption Payment | - | - | - | - | - |
| Original Issue Discount | (207,822) | (62,369) | - | - | (10,737) |
| Transfers In | 1,200,000 | 36,568 | - | 1,031,129 | 131,391 |
| Transfers Out | (615,614) | (373,175) | (363,301) | (648,136) | (239,531) |
| Total Other Financing Sources (Uses) | 5,525,403 | (27,256) | 20,117,049 | 1,761,298 | 123,709 |
| Net Change in Fund Balances | \$ 3,806,542 | \$ (1,005,332) | \$ (483,837) | \$ (4,165,567) | \$ (6,066,508) |
| Debt Service as a Percentage of Noncapital Expenditures | 6.2% | 2.9% | 4.2% | 4.7% | 4.1% |

Net Change in Fund Balance, Governmental Funds: Last Ten Years



| 2002 | 2001 | 2000 | 1999 | 1998 |
|-----------------|-----------------|-----------------|-----------------|---------------|
| \$ 31,715,029 | \$ 28,163,762 | \$ 28,843,943 | \$ 28,632,793 | \$ 30,852,922 |
| 112,552 | 80,080 | 74,734 | 89,527 | 86,993 |
| 1,337,353 | 2,886,844 | 4,855,017 | 5,305,292 | 5,217,055 |
| 63,124,529 | 58,203,733 | 58,044,698 | 49,758,901 | 44,953,946 |
| 5,754,603 | 4,933,711 | 4,825,494 | 4,746,117 | 3,730,534 |
| 2,245,428 | 1,873,172 | 2,058,171 | 1,302,569 | 1,214,911 |
| 1,827,143 | 1,319,288 | 1,117,811 | 1,033,070 | 1,894,023 |
| 106,116,637 | 97,460,590 | 99,819,868 | 90,868,269 | 87,950,384 |
| 8,765,584 | 8,085,258 | 7,799,771 | 7,683,790 | 7,615,930 |
| 11,983,149 | 10,995,762 | 10,450,728 | 9,589,475 | 9,459,935 |
| 11,040,261 | 10,337,838 | 9,582,188 | 7,721,979 | 8,622,988 |
| 13,566,984 | 12,297,826 | 13,805,776 | 10,542,735 | 9,217,563 |
| 3,098,146 | 2,839,711 | 2,470,877 | 2,380,613 | 1,958,900 |
| 56,536,369 | 49,185,726 | 44,453,791 | 39,315,567 | 36,040,330 |
| 592,953 | 456,648 | 603,553 | 781,221 | 404,920 |
| 1,281,767 | 784,048 | 4,626,633 | 1,711,933 | 1,222,630 |
| 17,754,912 | 12,433,834 | 20,052,497 | 16,486,471 | 5,774,639 |
| 1,905,000 | 1,735,000 | 1,625,000 | 1,565,000 | 1,505,000 |
| 3,447,171 | 3,487,240 | 3,551,110 | 3,618,895 | 3,307,778 |
| 129,972,296 | 112,638,891 | 119,021,924 | 101,397,679 | 85,130,613 |
| (23,855,659) | (15,178,301) | (19,202,056) | (10,529,410) | 2,819,771 |
| 710,005 | - | - | - | - |
| 8,699,804 | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| 1,511,500 | - | - | - | - |
| - | - | - | - | - |
| 1,090,604 | 3,800 | - | 5,487 | 23,745 |
| (1,212,351) | (104,285) | (96,870) | (99,497) | (120,760) |
| 10,799,562 | (100,485) | (96,870) | (94,010) | (95,015) |
| \$ (13,056,097) | \$ (15,278,786) | \$ (19,298,926) | \$ (10,623,420) | \$ 2,724,756 |
| 4.8% | 5.3% | 5.5% | 6.2% | 6.2% |

(a) - For all years prior to 2006, the County recorded Miscellaneous expense separately in its basic financial statements. For all years after 2006 these amounts were allocated to the appropriate function. Additionally, in prior years the Economic Development Function was included as part of the Public Works function.

County of Beaver, Pennsylvania
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Years

| Fiscal Year | Residential / Agricultural | Commercial / Industrial | Less Non Taxable | Total Taxable End of Year Actual Assessed Value | Total Taxable Actual Market Value | Common Level Ratio % (CLR) | Direct Tax Rate |
|-------------|-------------------------------|----------------------------|---------------------|--|---|-------------------------------------|--------------------|
| 2007 | \$ 1,910,141,821 | \$ 606,747,900 | \$ 451,800,957 | \$ 2,065,088,764 | \$ 6,838,042,265 | 30.20 % | 18.70 |
| 2006 | 1,839,888,236 | 629,254,621 | 429,005,650 | 2,040,137,207 | 6,581,087,765 | 31.00 | 17.70 |
| 2005 | 1,814,757,767 | 621,869,891 | 429,291,421 | 2,007,336,237 | 6,233,963,469 | 32.20 | 17.70 |
| 2004 | 1,798,217,184 | 616,201,867 | 425,378,651 | 1,989,040,400 | 5,715,633,333 | 34.80 | 15.70 |
| 2003 | N/A | N/A | N/A | 2,070,855,533 | 5,985,131,598 | 34.60 | 15.70 |
| 2002 | 1,761,024,351 | 714,646,323 | 429,276,531 | 2,046,394,143 | 5,830,182,744 | 35.10 | 15.70 |
| 2001 | N/A | N/A | N/A | 2,028,251,318 | 5,541,670,268 | 36.60 | 13.70 |
| 2000 | 1,711,335,856 | 745,280,623 | 427,507,004 | 2,029,109,475 | 5,216,219,730 | 38.90 | 13.70 |
| 1999 | 1,702,278,173 | 737,656,388 | 555,313,189 | 1,884,621,372 | 4,869,822,667 | 38.70 | 15.00 |
| 1998 | 1,666,194,833 | 734,050,510 | 533,334,041 | 1,866,911,302 | 4,564,575,311 | 40.90 | 16.20 |

Sources: Beaver County Assessment Office

Note: Beaver County has established an assessment ration of 50% at the last general reassessment conducted for the 1982 tax year. The Common Level Ratio (CLR) is the statistically calculated relationship between assessments and current market value, as certified by the State Tax Equalization Board pursuant to Act 267-1982.

N/A = Not Available

County of Beaver, Pennsylvania
Property Tax Rates (in mills) - Direct and Overlapping Governments
 (Per \$1,000 of Assessed Valuation)
 Last Ten Collection Years

| | Year Taxes are Payable | | | | | | | | | |
|------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 |
| County Direct Rate | | | | | | | | | | |
| Property Tax | 18.70 | 17.70 | 17.70 | 15.70 | 15.70 | 15.70 | 13.70 | 13.70 | 15.00 | 16.20 |
| Municipal Rates | | | | | | | | | | |
| City of Aliquippa (1) | L 80.60 B 11.40 | L 78.80 B 11.50 | L 78.80 B 11.50 | L 77.50 B 11.50 | L 77.50 B 11.50 | L 77.00 B 9.00 | L 77.00 B 9.00 | L 79.00 B 7.00 | L 79.00 B 7.00 | L 79.00 B 7.00 |
| City of Beaver Falls (1) | 32.00 | 32.00 | 30.00 | 30.00 | 28.00 | 28.00 | 24.00 | 24.00 | 24.00 | 24.00 |
| Boroughs (2) | 5.00-23.38 1.00-34.50 | 5.00-22.38 1.00-34.50 | 5.00-22.38 1.00-32.50 | 3.00-22.38 1.00-30.50 | 3.00-20.38 1.00-28.50 | 3.00-20.38 1.00-28.50 | 3.00-18.28 1.00-28.50 | 2.50-18.28 1.00-28.50 | 2.50-18.28 3931-29.00 | 2.50-18.28 3931-30.00 |
| School District Rates | | | | | | | | | | |
| City of Aliquippa (1) | L 177.00 B 28.00 | L 173.00 B 28.00 | L 173.00 B 28.00 | L 169.00 B 24.00 | L 165.00 B 20.00 | L 165.00 B 20.00 | L 165.00 B 20.00 | L 165.00 B 20.00 | L 165.00 B 20.00 | L 165.00 B 20.00 |
| City of Beaver Falls (1) | 59.00 | 59.00 | 59.00 | 56.00 | 56.00 | 54.00 | 52.00 | 49.00 | 48.00 | 48.00 |
| Townships | 39.00-66.00 | 39.00-66.00 | 37.00-66.00 | 37.00-62.50 | 34.00-61.00 | 36.00-57.00 | 36.00-56.00 | 36.00-53.00 | 36.00-50.00 | 36.00-50.00 |
| Boroughs (2) | 28.00-59.00 | 28.00-59.00 | 28.00-59.00 | 28.00-56.00 | 28.00-56.00 | 34.00-54.00 | 33.00-52.00 | 35.00-49.50 | 35.00-48.00 | 35.00-48.00 |

Source: Beaver County Assessment Office

Notes:

(1) Cities are individually listed because the City of Aliquippa is the only municipality within the School District and both the City and School District apply a separate tax rate to land value as opposed to building value.

(2) A portion of Ellwood City Borough is annexed to Beaver County from Lawrence County for County Tax Rate purposes only.

L: Land

B: Building

County of Beaver, Pennsylvania
Principal Property Tax Payers
Current Year and Ten Years Ago

| Taxpayer | January 1, 2007 | |
|---|----------------------------------|--|
| | Real Property Assessed Valuation | Percentage of Total Assessed Valuation |
| First Energy (Bruce Mansfield, BV2, Various) | \$133,014,965 | 6.44% |
| PR Beaver Valley LP - Beaver Valley Mall | 27,864,100 | 1.35 |
| Koppel Steel (Ambridge & Koppel) | 14,801,400 | 0.72 |
| Horsehead Industries | 12,943,800 | 0.63 |
| DDR MDT - Lowes, Eat'N Park, Texas Roadhouse | 12,266,400 | 0.59 |
| United States Gypsum | 12,128,600 | 0.59 |
| THF Monaca, LP - Walmart | 9,976,600 | 0.48 |
| Jewel Acquisition & July Products (J & L Specialty Steel) | 9,635,350 | 0.47 |
| Nova | 9,600,000 | 0.46 |
| NGC Gypsum Plant - Shippingport | 8,594,300 | 0.42 |
| | <u>\$250,825,515</u> | <u>12.15%</u> |
| Total Assessed Valuation | <u>\$2,065,088,764</u> | |

| Taxpayer | January 1, 1998 | |
|--|----------------------------------|--|
| | Real Property Assessed Valuation | Percentage of Total Assessed Valuation |
| Duquesne Light Co. (B.V. I & II) | \$64,350,000 | 3.45% |
| Penn Power (CAPCO) Bruce Mansfield | 54,912,100 | 2.94 |
| Pittsburgh National Bank, Trustee for B.V. Mall | 27,882,500 | 1.49 |
| ARCO Chemical | 14,879,900 | 0.80 |
| Horsehead Industries | 12,661,900 | 0.68 |
| J & L Specialty Steel Midland | 10,801,200 | 0.58 |
| PA Northern Lights Shoppers City | 10,378,700 | 0.56 |
| Koppel Steel (Ambridge & Koppel) | 9,496,500 | 0.51 |
| New Sewickley Partners c/o Kraft General Foods | 8,557,600 | 0.46 |
| RAK Enterprises (Chippewa K-Mart, Builders Square & Taco Bell) | 8,352,200 | 0.45 |
| | <u>\$222,272,600</u> | <u>11.92%</u> |
| Total Assessed Valuation | <u>\$1,866,911,302</u> | |

Source: Beaver County Board of Property Assessment

Note: Beaver County has established an assessment ratio of 50% at the last general reassessment conducted for the 1982 tax year. The Common Level Ratio (CLR) is the statistically calculated relationship between assessments and current market value, as certified by the State Tax Equalization Board pursuant to Act 267-1982.

County of Beaver, Pennsylvania
Property Tax Levies And Collections
Last Ten Years

| Fiscal Year Ended December 31, | Total Property Tax Levied for the Fiscal Year | Collected within the Fiscal Year of the Levy | | Delinquent & Lien Tax Collections | Total Collection to Date | |
|---|--|---|-----------------------|---|--------------------------|-----------------------|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2007 | \$ 38,617,160 | \$ 33,565,533 | 86.92 % | \$ 3,469,691 | \$ 37,035,224 | 95.90 % |
| 2006 | 36,110,429 | 32,601,955 | 90.28 | 3,632,672 | 36,234,627 | 100.34 |
| 2005 | 35,529,851 | 32,183,528 | 90.58 | 3,134,045 | 35,317,573 | 99.40 |
| 2004 | 32,699,401 | 29,615,181 | 90.57 | 3,275,619 | 32,890,800 | 100.59 |
| 2003 | 32,699,401 | 29,549,369 | 90.37 | 3,248,743 | 32,798,112 | 100.30 |
| 2002 | 32,122,516 | 28,870,520 | 89.88 | 2,844,509 | 31,715,029 | 98.73 |
| 2001 | 27,787,043 | 25,077,723 | 90.25 | 3,086,040 | 28,163,763 | 101.36 |
| 2000 | 27,798,799 | 25,477,666 | 91.65 | 3,366,277 | 28,843,943 | 103.76 |
| 1999 | 28,248,871 | 25,365,530 | 89.79 | 3,267,263 | 28,632,793 | 101.36 |
| 1998 | 30,199,670 | 27,101,142 | 89.74 | 3,751,780 | 30,852,922 | 102.16 |

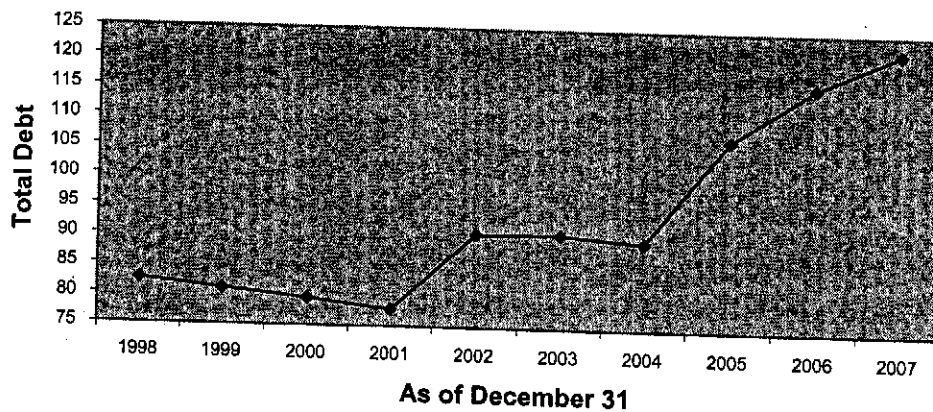
Source: Beaver County Board of Property Assessment

Note: Total tax levy is based on assessment roll certification and all revisions through December 31. Current tax collections are those taxes (discount, face and penalty) collected from January 1 thru December 31. Delinquent and lien taxes are the summation of current taxes collected from January 1 thru February 15 of the subsequent year plus those collections made by the Tax Claim Bureau through December 31 of the current year. Collections made by the Tax Claim Bureau include principal, penalty, interest, commissions, costs, interest on savings and rollback interest. The Tax Claim Bureau does not identify lited tax collections by the year for which the tax was levied.

County of Beaver, Pennsylvania
Ratio of Outstanding Debt to
Total Personal Income and Debt Per Capita
Last Ten Years

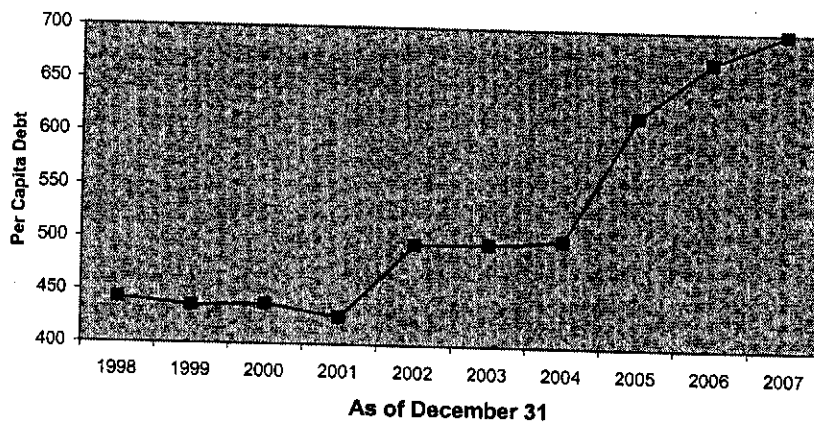
| Year | Governmental Activities | | | |
|------|--------------------------------|--|---------------------------------|-------------------------------------|
| | General Obligation Bonds | Other General Long-term Liabilities | Capital Lease Obligations | Obligations under Derivatives |
| 2007 | \$ 68,007,510 | \$ 25,623,205 | \$ 8,122,387 | \$ 11,229,326 |
| 2006 | 65,906,708 | 25,703,830 | 8,004,767 | 11,654,416 |
| 2005 | 70,022,446 | 20,790,000 | 8,246,796 | 2,871,500 |
| 2004 | 68,713,457 | 4,030,000 | 8,402,497 | 2,871,500 |
| 2003 | 70,463,893 | 4,180,000 | 8,539,190 | 1,511,500 |
| 2002 | 70,876,859 | 4,325,000 | 8,699,804 | 1,511,500 |
| 2001 | 72,359,699 | - | - | - |
| 2000 | 73,641,522 | - | - | - |
| 1999 | 74,831,664 | - | - | - |
| 1998 | 75,994,046 | - | - | - |

Total Debt: Last Ten Years (millions)



| Business-type Activities | | | | | |
|--------------------------------|--|---------------------------------|----------------|-------------------------------------|---------------|
| General Obligation Bonds | Other General Long-term Liabilities | Capital Lease Obligations | Total Debt | Percentage of Personal Income | Per Capita |
| \$ 9,477,588 | \$ 290,000 | \$ 114,224 | \$ 122,864,240 | 3.16% | \$ 699 |
| 4,303,664 | 290,000 | 149,500 | 116,012,885 | 3.64 | 671 |
| 4,982,040 | - | 147,213 | 107,059,995 | 3.36 | 619 |
| 5,505,416 | - | - | 89,522,870 | 2.72 | 501 |
| 6,018,792 | - | - | 90,713,375 | 2.70 | 497 |
| 4,988,540 | - | 173,755 | 90,575,458 | 2.69 | 496 |
| 5,540,000 | - | - | 77,899,699 | 2.32 | 426 |
| 5,905,000 | - | - | 79,546,522 | 2.38 | 438 |
| 6,250,000 | - | - | 81,081,664 | 1.85 | 436 |
| 6,525,000 | - | - | 82,519,046 | 1.98 | 443 |

Per Capita Debt: Last Ten Years



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County of Beaver, Pennsylvania
Ratio of Net Obligation Bonded Debt to Assessed
Value and Net Bonded Debt Per Capita
Last Ten Years

| Year | Population | Estimated Actual Value of Taxable Property | Gross Bonded Debt | Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property | Net Bonded Debt Per Capita |
|------|------------|---|-------------------------|--|----------------------------------|
| 2007 | 175,736 | \$ 6,838,042,265 | \$ 77,485,098 | 1.13 % | \$ 441 |
| 2006 | 173,005 | 6,581,087,765 | 70,210,372 | 1.07 | 406 |
| 2005 | 173,005 | 6,233,963,469 | 75,004,486 | 1.20 | 434 |
| 2004 | 178,601 | 5,715,633,333 | 74,218,873 | 1.30 | 416 |
| 2003 | 182,687 | 5,985,131,598 | 76,482,685 | 1.28 | 419 |
| 2002 | 182,687 | 5,830,182,744 | 75,865,399 | 1.30 | 415 |
| 2001 | 182,687 | 5,541,670,268 | 77,899,699 | 1.41 | 426 |
| 2000 | 181,412 | 5,216,219,730 | 79,546,522 | 1.52 | 438 |
| 1999 | 186,093 | 4,869,822,667 | 81,081,664 | 1.66 | 436 |
| 1998 | 186,093 | 4,564,575,311 | 82,519,046 | 1.81 | 443 |

County of Beaver, Pennsylvania
Legal Debt Margin
Last Ten Years

| | 2007 | 2006 | 2005 | 2004 |
|---|---------------|---------------|--------------|--------------|
| Legal Debt Margin | | | | |
| Non-electoral Debt | \$146,664,086 | \$140,050,051 | \$66,250,622 | \$66,596,078 |
| Non-electoral Debt plus Lease Rental Debt | 195,552,115 | 186,733,401 | 99,567,069 | 91,842,060 |

Limitations on incurring other debt:

A county shall not incur any new non-electoral debt if the aggregate net principal amount of the new non-electoral debt, together with all other net non-electoral debt outstanding, would cause the total non-electoral debt of the county to exceed 300% of its borrowing base. Also, the total non-electoral debt plus lease rental debt shall not exceed 400% of a county's borrowing base.

Borrowing base:

The annual arithmetic average of the total revenues for the last full three fiscal years ended, as executed by the authorized officials of the county or by an independent accountant. Certain revenues, such as reimbursements from the Commonwealth or the federal government for repayments of non-electoral debt and investment income in bond sinking funds set aside for the payment of debt, shall be excluded from the determination of the borrowing base.

Debt:

Debt is the amount of all obligations for the payment of money incurred by a county except for: current obligations for the full payment of which current revenues have been appropriated, obligations under contracts allocable to current operating expenses of future years, rentals or payments payable in future years under leases or other forms of agreements (except for capital leases), interest or taxes on bonds or notes which are not overdue, and obligations incurred under a qualified interest rate management agreement.

Figures used in the current year calculation of legal debt margin:

| | |
|---------------------|---------------|
| Non-electoral debt: | \$ 77,485,098 |
| Lease rental debt: | \$ 20,794,816 |
| Borrowing base: | \$ 48,888,029 |

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

| 2003 | 2002 | 2001 | 2000 | 1999 | 1998 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| \$55,777,710 | \$49,572,460 | \$44,639,738 | \$58,825,932 | \$52,121,678 | \$39,539,091 |
| 80,786,207 | 83,953,187 | 85,486,217 | 103,465,083 | 95,037,792 | 78,480,137 |

Non-electoral debt:

All debt of a county except for that specifically incurred with the assent of the electors and the guarantee of the debt of other entities (see "lease rental debt").

Lease rental debt:

The principal amount of authority bonds or notes or bonds or notes of another local government unit to be repaid from payments of the local government unit made pursuant to leases, guarantees, subsidy contracts or other forms of agreement which evidence the acquisition of capital assets (not including any debt which has been approved by the electors).

Legal debt margin:

The amount available for a local government to incur new non-electoral debt or new lease rental debt.

County of Beaver, Pennsylvania
Principal Employers
Current Year and Ten Years Ago

| 2007 | | |
|---------------------------------------|-----------|---|
| Employer | Employees | Percentage of Total County Employment |
| Valley Medical Facilities Inc. | n/a | n/a % |
| Beaver County Government | n/a | n/a |
| McCarl's | n/a | n/a |
| FirstEnergy Nuclear Operating | n/a | n/a |
| Wal-Mart Associates Inc. | n/a | n/a |
| Chicago Title Insurance Co. | n/a | n/a |
| Koppel Steel Corp. | n/a | n/a |
| Passavant Memorial Homes | n/a | n/a |
| Horsehead Corp. (formerly Zinc Corp.) | n/a | n/a |
| McGuire Memorial | n/a | n/a |
| Total | n/a | n/a % |
| Total County Employees | n/a | |

| 1998 | | |
|--------------------------------|-----------|---|
| Employer | Employees | Percentage of Total County Employment |
| The Medical Center | n/a | n/a % |
| Beaver County Government | n/a | n/a |
| Duquesne Light Company | n/a | n/a |
| Promark One Marketing Services | n/a | n/a |
| Koppel Steel Corp. | n/a | n/a |
| Horsehead Corp. | n/a | n/a |
| Cutler-Hammer Inc. | n/a | n/a |
| Nova Chemicals Inc. | n/a | n/a |
| Anchor Hocking Corp. | n/a | n/a |
| UPMC Beaver Valley | n/a | n/a |
| Total | n/a | n/a % |
| Total County Employees | n/a | |

(1) Source: Center for Workforce Information and Analysis-Home of PA Work Stats
Number of Employees not available from source due to confidentiality.

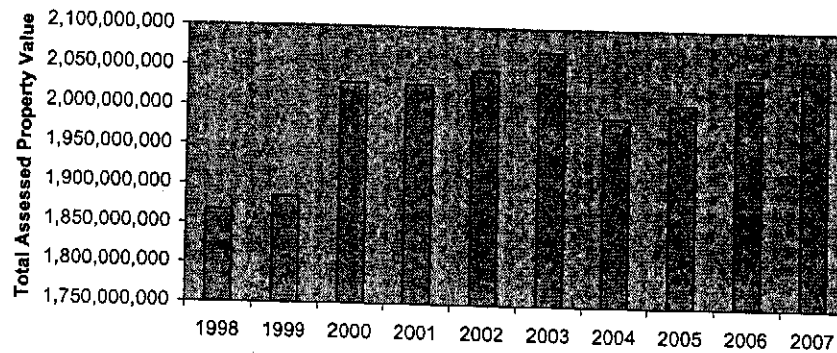
County of Beaver, Pennsylvania
Demographic and Economic Statistics
Last Ten Years

| Year | Population | Total Personal Income (thousands of dollars) | Per Capita Personal Income | Median Household Income | Median Age | Percent with Educational Attainment: Bachelor's Degree or Higher | School Enrollment | Unemployment Rate (5) | Total Assessed Property Value |
|------|-------------|---|----------------------------|-------------------------|------------|--|-------------------|-----------------------|-------------------------------|
| 2007 | 175,736 (8) | \$ 3,893,255,344 | \$ 22,154 (8) | \$ 42,023 (8) | 43.0 (8) | 18.4 % (8) | 39,016 (8) | 4.5 % | \$ 2,065,088,764 |
| 2006 | 173,005 (1) | 3,183,638,010 | 18,402 (3) | 36,995 (6) | 40.7 (3) | 15.8 (3) | 41,572 (3) | 4.1 | 2,040,137,207 |
| 2005 | 173,005 (1) | 3,183,638,010 | 18,402 (3) | 36,995 (6) | 40.7 (3) | 15.8 (3) | 41,572 (3) | 4.7 | 2,007,336,237 |
| 2004 | 178,601 (2) | 3,286,615,602 | 18,402 (3) | 36,995 (6) | 40.7 (3) | 15.8 (3) | 41,572 (3) | 5.3 | 1,989,040,400 |
| 2003 | 182,687 (2) | 3,361,806,174 | 18,402 (3) | 36,995 (6) | 40.7 (3) | 15.8 (3) | 41,572 (3) | 5.8 | 2,070,855,533 |
| 2002 | 182,687 (2) | 3,361,806,174 | 18,402 (3) | 36,995 (6) | 40.7 (3) | 15.8 (3) | 41,572 (3) | 6.4 | 2,046,394,143 |
| 2001 | 182,687 (2) | 3,361,806,174 | 18,402 (3) | 36,995 (6) | 40.7 (3) | 15.8 (3) | 41,572 (3) | 5.1 | 2,028,251,318 |
| 2000 | 181,412 (3) | 3,338,343,624 | 18,402 (3) | 36,995 (6) | 40.7 (3) | 15.8 (3) | 41,572 (3) | 4.3 | 2,029,109,475 |
| 1999 | 186,093 (4) | 4,383,606,708 | 23,556 (7) | 24,276 (4) | N/A | 17.9 (4) | 42,110 (4) | 4.8 | 1,884,621,372 |
| 1998 | 186,093 (4) | 4,173,135,525 | 22,425 (7) | 24,276 (4) | N/A | 17.9 (4) | 42,110 (4) | 5.3 | 1,866,911,302 |

Sources:

- (1) PA State Data Center "Population Projections, PA Counties"
 - (2) PA State Data Center
 - (3) U.S. Census Bureau, Census 2000
 - (4) U.S. Census Bureau, Census 1990
 - (5) Pennsylvania Department of Labor and Industry
 - (6) U.S. Bureau of the Census, Census 2000 "Profile of Selected Economic Characteristics: 2000"
 - (7) U.S. Department of Commerce, Bureau of Economic Analysis
 - (8) U.S. Census Bureau, 2006 American Community Survey
- N/A - Information not available

Total Assessed Property Value: Last Ten Years



County of Beaver, Pennsylvania
Full-Time Equivalent County Government Employees by Function/Program
Last Ten Years

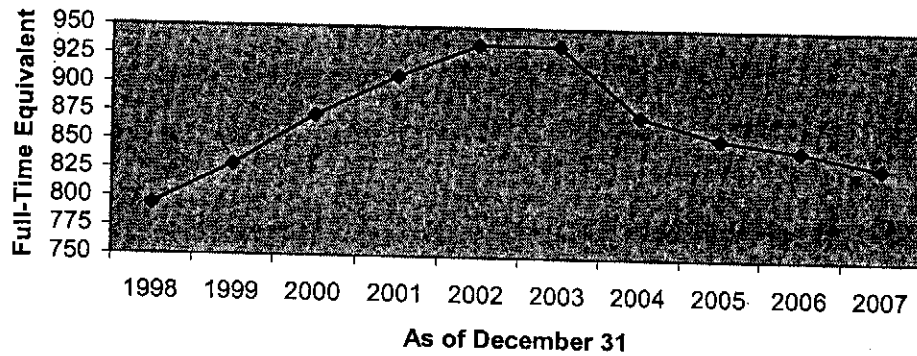
| Function/program | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| General Government: | | | | | | | | | | |
| Commissioners | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.5 | 7.5 | 7.0 | 7.0 |
| Controller | 9.5 | 14.5 | 14.5 | 12.5 | 14.5 | 14.5 | 14.5 | 13.5 | 14.5 | 14.5 |
| Treasurer | 13.0 | 11.5 | 11.5 | 13.0 | 16.5 | 15.0 | 14.5 | 14.5 | 16.0 | 15.5 |
| Recorder of Deeds | 11.5 | 11.5 | 11.5 | 13.5 | 13.5 | 14.0 | 14.0 | 13.5 | 12.5 | 12.5 |
| Solicitor | 3.0 | 3.0 | 3.5 | 3.0 | 3.0 | 3.5 | 3.0 | 3.5 | 3.0 | 4.0 |
| Information Technology | 9.0 | 10.0 | 11.0 | 12.0 | 14.5 | 14.5 | 14.5 | 13.0 | 13.0 | 13.0 |
| Planning Commission | 6.0 | 6.0 | 6.0 | 7.0 | 9.0 | 6.5 | 8.0 | 7.0 | 8.0 | 7.0 |
| Weights and Measures | 1.0 | 1.0 | 1.0 | 1.0 | 1.5 | 1.5 | 1.5 | 1.0 | 1.5 | 1.0 |
| Veterans Affairs | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.5 | 3.0 | 4.0 | 4.0 | 4.0 |
| Election Bureau | 6.5 | 6.5 | 7.5 | 9.5 | 9.5 | 8.5 | 9.5 | 9.5 | 10.0 | 8.0 |
| Assessment/Tax Claim | 24.5 | 24.0 | 25.0 | 24.0 | 28.5 | 27.5 | 27.5 | 27.5 | 27.5 | 26.5 |
| Public Defender | 16.0 | 16.5 | 16.0 | 16.0 | 16.5 | 16.0 | 16.0 | 15.5 | 15.0 | 14.0 |
| Employee Relations | 7.5 | 3.5 | 3.5 | 4.0 | 3.0 | 4.0 | 4.0 | 3.5 | 4.0 | 4.0 |
| Mailroom | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.5 | 1.5 | 1.0 | 1.0 | 1.0 |
| Microfilm | 5.0 | 5.0 | 5.0 | 5.5 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 4.0 |
| Central Telephone | 1.5 | 2.0 | 2.0 | 1.5 | 1.5 | 2.5 | 1.5 | 1.5 | 2.0 | 2.0 |
| Purchasing | 3.0 | 2.5 | 3.0 | 3.0 | 4.0 | 3.5 | 3.5 | 3.0 | 3.0 | 3.0 |
| Engineering | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 2.0 | 3.5 | 3.5 | 4.5 | 5.0 |
| Parking Garage/Bus Drivers | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1.5 | 1.5 | 1.5 | 0.0 | 0.0 |
| Judicial: | | | | | | | | | | |
| Clerk of Courts | 13.5 | 13.5 | 12.5 | 14.0 | 14.5 | 14.0 | 14.0 | 14.0 | 14.0 | 13.0 |
| Coroner | 4.0 | 4.0 | 4.0 | 4.0 | 4.5 | 4.5 | 4.0 | 4.0 | 4.5 | 4.5 |
| Jury Commission | 2.0 | 2.0 | 2.0 | 2.0 | 2.5 | 2.5 | 2.5 | 2.5 | 2.0 | 2.0 |
| District Attorney | 24.5 | 24.0 | 24.0 | 24.5 | 24.0 | 25.5 | 25.0 | 24.5 | 22.5 | 23.5 |
| Prothonotary | 13.5 | 13.0 | 14.0 | 15.5 | 17.0 | 17.5 | 16.5 | 17.0 | 14.5 | 14.5 |
| Register of Wills | 6.5 | 6.5 | 6.5 | 6.5 | 7.5 | 8.0 | 8.0 | 8.5 | 8.0 | 8.0 |
| Sheriff | 34.5 | 39.0 | 38.5 | 38.0 | 43.5 | 43.5 | 42.0 | 37.0 | 37.0 | 40.5 |
| Court Administration | 42.5 | 43.5 | 39.5 | 41.5 | 42.5 | 39.5 | 43.0 | 42.5 | 45.5 | 41.0 |
| Law Library | 1.5 | 1.5 | 1.5 | 1.0 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 |
| Stop Grant | 0.0 | 0.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| Domestic Relations | 35.0 | 35.0 | 36.0 | 35.5 | 37.5 | 36.5 | 32.5 | 33.5 | 33.5 | 33.0 |
| District Courts (Nine) | 30.0 | 31.0 | 31.0 | 30.0 | 32.0 | 31.0 | 31.0 | 31.0 | 31.0 | 31.0 |
| Rights & Services/Victims of Crime | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.5 | 3.5 | 2.5 |
| Drug Investigation | 5.0 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 |
| Public Safety: | | | | | | | | | | |
| Emergency Services | 42.0 | 41.0 | 41.0 | 39.0 | 41.0 | 41.5 | 36.5 | 36.0 | 37.0 | 34.0 |
| Jail | 81.0 | 88.0 | 92.5 | 101.0 | 100.0 | 97.0 | 89.5 | 90.5 | 65.0 | 62.0 |
| Allencrest Detention Center | 28.0 | 32.5 | 32.5 | 31.5 | 39.0 | 37.5 | 40.5 | 36.5 | 36.5 | 36.5 |
| Adult Probation/Intermediate Punishment | 31.0 | 31.5 | 31.0 | 30.0 | 34.0 | 34.0 | 34.0 | 34.0 | 34.0 | 29.0 |
| Juvenile Services | 25.0 | 26.0 | 26.5 | 26.5 | 26.0 | 26.5 | 26.0 | 24.0 | 24.0 | 21.0 |
| DUI Program | 2.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Public Works & Enterprise: | | | | | | | | | | |
| Liquid Fuels | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Department of Public Works | 30.0 | 32.0 | 32.0 | 35.0 | 45.0 | 46.0 | 44.5 | 43.5 | 44.5 | 40.0 |
| Airport | 3.0 | 3.0 | 3.0 | 4.0 | 7.5 | 6.0 | 6.0 | 5.5 | 6.0 | 6.0 |
| Culture, Recreation and Conservation: | | | | | | | | | | |
| Parks/Recreation/Tourist | 13.5 | 11.5 | 12.5 | 15.0 | 16.5 | 16.5 | 16.5 | 15.0 | 12.5 | 11.5 |
| Library Commission | 12.5 | 12.5 | 12.0 | 12.5 | 15.0 | 15.0 | 14.0 | 13.5 | 10.5 | 10.0 |
| Waste Management | 4.0 | 4.0 | 4.5 | 5.0 | 5.5 | 5.5 | 5.5 | 5.0 | 5.5 | 5.0 |
| Conservation | 0.0 | 0.0 | 0.0 | 0.0 | 7.0 | 6.0 | 6.0 | 5.0 | 5.0 | 5.5 |
| Human Services: | | | | | | | | | | |
| Office on Aging | 39.5 | 40.0 | 39.0 | 39.5 | 39.5 | 38.5 | 35.5 | 31.5 | 28.5 | 30.5 |
| Children & Youth | 71.5 | 69.5 | 71.5 | 71.5 | 70.5 | 70.5 | 66.5 | 62.5 | 58.0 | 56.0 |
| MH/MR - Drug & Alcohol - HealthChoices | 81.0 | 80.0 | 81.0 | 78.0 | 81.0 | 81.0 | 78.0 | 73.0 | 70.0 | 65.0 |
| Childcare Choices | 11.0 | 12.0 | 12.0 | 14.0 | 14.0 | 14.5 | 13.0 | 12.0 | 8.0 | 6.0 |
| Economic Development: | | | | | | | | | | |
| Community Development | 8.0 | 8.0 | 8.0 | 8.0 | 9.0 | 8.0 | 8.0 | 7.5 | 7.5 | 7.5 |
| Environmental Protection | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.5 | 0.5 | 0.5 | 0.0 | 0.0 |
| Totals: | 830.5 | 845.5 | 855.0 | 874.0 | 943.5 | 935.0 | 907.0 | 872.5 | 829.0 | 794.0 |

Source: Beaver County Payroll Department

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee.
Count taken at December 31.

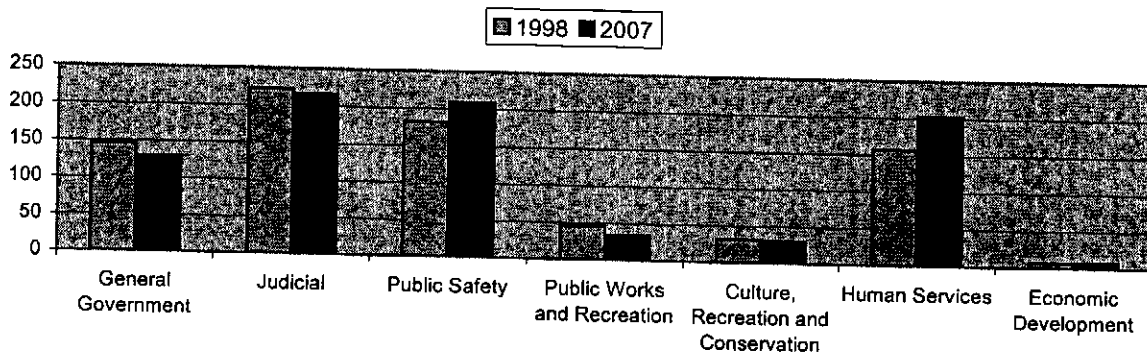
County of Beaver, Pennsylvania
Full-Time Equivalent County Government Employees Graphs / Charts
Last Ten Years

**Full-Time Equivalent County Government
Employees: Last Ten Years**



The FTE reductions in 2004 and 2005 were results of extensive early retirement packages offered as well as some County layoffs.

FTE's By Function



The following represents the % increase or decrease in FTE between 1998 and 2007:

General Government decreased 2%.

Judicial decreased 2%.

Public Safety increased 2%.

Public Works and Recreation decreased 2%.

Culture, Recreation and Conservation stayed the same.

Human Services increased 4%.

Economic Development stayed the same.

County of Beaver, Pennsylvania
Operating Indicators by Function/Program
Last Ten Years

| Function/program | 2007 | 2006 | 2005 | 2004 | 2003 |
|---|---------|---------|---------|---------|---------|
| General Government (1) | | | | | |
| Number of Registered Voters | 112,248 | 113,612 | 112,001 | 122,351 | 115,788 |
| Number of Votes Cast in Last General Election | 40,118 | 65,606 | 37,998 | 86,609 | 32,394 |
| Percentage of Registered Voters Voting in Last General Election | 35.39 | 57.74 | 33.93 | 70.79 | 27.98 |
| Judicial (2) | | | | | |
| Year-to-date Filings | 36,690 | 34,337 | 34,407 | 35,003 | 36,099 |
| Traffic Citations | 22,893 | 20,465 | 20,417 | 20,615 | 21,506 |
| Summary/Non Traffic | 6,623 | 6,529 | 6,684 | 7,273 | 7,689 |
| Civil Complaints | 3,108 | 3,369 | 3,150 | 2,962 | 2,788 |
| Misdemeanor/Felony Citations | 4,066 | 3,974 | 4,156 | 4,153 | 4,116 |
| Criminal Filings | 2,576 | 3,667 | 3,574 | 3,099 | 2,905 |
| Civil Filings | 1,100 | 943 | 740 | 739 | 687 |
| Orphans Court Filings | 296 | 306 | 299 | 397 | 343 |
| Custody Filings | 582 | 562 | 558 | 574 | 536 |
| Protection from Abuse Filings | 469 | 500 | 468 | 463 | 485 |
| Divorces | 484 | 517 | 538 | 553 | 580 |
| Public Service (3) | | | | | |
| Recycling - Stainless Steel (Tons) | 170,566 | 199,187 | 198,756 | 99 | 72 |
| Recycling - Ferrous (Tons) | 210,873 | 34,916 | 15,393 | 27,016 | 21,669 |
| Recycling - White Goods (Tons) | 13,284 | 26,893 | 8,450 | 12,684 | 10,450 |
| Recycling - Other Materials (Tons) | 18,885 | 11,313 | 17,807 | 52,296 | 7,068 |
| Wood Waste Removed (Tons) | 2,372 | 1,876 | 541 | 242 | 457 |
| Yard Waste Removed (Tons) | 2,140 | 4,477 | 4,018 | 2,701 | 2,894 |

Sources: (1) Beaver County Elections Bureau
(2) Beaver County Court Administration
(3) Beaver County Department of Waste Management

n/a: Information not available

| 2002 | 2001 | 2000 | 1999 | 1998 |
|---------|---------|---------|---------|---------|
| 105,451 | 115,325 | 116,515 | 112,619 | 111,630 |
| 55,434 | 40,170 | 78,906 | 42,409 | 54,794 |
| 52.57 | 34.83 | 67.70 | 37.66 | 49.08 |
| 38,905 | 39,187 | 38,756 | n/a | n/a |
| 24,269 | 23,273 | 24,095 | n/a | n/a |
| 7,676 | 9,074 | 8,172 | n/a | n/a |
| 2,678 | 3,008 | 2,763 | n/a | n/a |
| 4,282 | 3,832 | 3,726 | n/a | n/a |
| 2,888 | 2,606 | 2,408 | 2,559 | 2,197 |
| 706 | 652 | 746 | 673 | 628 |
| 399 | 376 | 314 | 261 | 315 |
| 442 | 406 | 408 | 408 | 440 |
| 501 | 582 | 674 | 631 | 605 |
| 575 | 616 | 650 | 591 | 736 |
| 173 | 249 | 16 | 13 | 21 |
| 20,744 | 23,100 | 164 | 1,441 | 1,884 |
| 9,410 | 8,673 | 9,595 | 10,500 | 9,085 |
| 13,334 | 21,121 | 5,084 | 3,119 | 4,538 |
| 303 | 68 | 303 | 10 | - |
| 3,203 | 4,287 | 3,203 | 2,213 | 2,148 |

County of Beaver, Pennsylvania
Capital Asset Statistics by Function/Program
Last Ten Years

| Function / Program | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Human Services | | | | | | | | | | |
| Computer Terminals: | | | | | | | | | | |
| Childcare Information Services | 8 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Children & Youth | 80 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Mental Health / Mental Retardation | 86 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Office on Aging | 40 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Judicial | | | | | | | | | | |
| Sheriff: | | | | | | | | | | |
| Vehicles | 29 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Weapons (Firearms) | 80 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Courtrooms | 8 | 8 | 8 | 8 | 7 | 7 | 7 | 7 | 7 | 7 |
| Proprietary | | | | | | | | | | |
| Long-Term Care Facilities: | | | | | | | | | | |
| Bed Capacity | 589 | 589 | 589 | 589 | 589 | n/a | n/a | n/a | n/a | n/a |
| Public Safety | | | | | | | | | | |
| Jail: | | | | | | | | | | |
| Cell Capacity | 403 | 403 | 403 | 403 | 403 | 403 | 403 | 403 | 0 | 0 |
| Allencrest: | | | | | | | | | | |
| Secure Bed Capacity | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 |
| Shelter Bed Capacity | 6 | 6 | 6 | 6 | 6 | 8 | 8 | 8 | 8 | 8 |
| Public Works | | | | | | | | | | |
| Airport: | | | | | | | | | | |
| Private Hangars | 13 | 13 | 13 | 13 | 13 | 13 | 11 | 11 | 11 | 11 |
| Commercial Hangars | 9 | 9 | 9 | 9 | 9 | 9 | 8 | 8 | 8 | 8 |
| Runways | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Length of Runways (feet) | 4,500 | 4,500 | 4,500 | 4,500 | 4,500 | 4,500 | 4,500 | 4,500 | 4,500 | 4,500 |
| Department of Public Works: | | | | | | | | | | |
| Vehicles | 31 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Parking Garages | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 |
| Parking Lots | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 |
| Liquid Fuels: | | | | | | | | | | |
| Bridges | 55 | 55 | 57 | 57 | 57 | 57 | 57 | 60 | 60 | 60 |
| County Owned & Maintained Streets (miles) | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 |
| Recreation (County owned and/or maintained) | | | | | | | | | | |
| Parks | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Park Acres | 2,517 | 2,517 | 2,517 | 2,517 | 2,517 | 2,517 | 2,517 | 2,517 | 2,517 | 2,517 |
| Pavilions | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 |
| Swimming Pools | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Tennis Courts | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Basketball Courts | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 0 | 0 | 0 |
| Baseball / Softball Fields | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Soccer / Football Fields | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Walking / Jogging Trails | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Bike Trails | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Horseshoeing Trails | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Lakes/Ponds for Fishing | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Playgrounds | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ice Skating Rinks | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Shooting Ranges | 0 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Deck Hockey Rinks | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 |
| Outdoor Skate Parks | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Source:

Various County Departments
n/a - information not available.